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GERALD ARMSTRONG

FILED

AUG 29 1994

HOWARD HANSON
MARIN COUNTY CLERK
By J. Steele, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL,)
a California not-for-profit)
religious corporation,)

Plaintiff,)

vs.)

GERALD ARMSTRONG; MICHAEL WALTON;)
THE GERALD ARMSTRONG CORPORATION)
a California for-profit)
corporation; DOES 1 through 100,)
inclusive,)

Defendants.)

No. 157 680

EVIDENCE IN SUPPORT OF
GERALD ARMSTRONG'S
OPPOSITION TO CSI'S
MOTION FOR SUMMARY
JUDGMENT

Date: September 9, 1994
Time: 9:00 a.m.
Dept: One
Trial Date: 9/29/94

VOLUME II

RECEIVED

AUG 29 1994

HUB LAW OFFICES



OFFICE OF THE DISTRICT ATTORNEY

COUNTY OF LOS ANGELES
SPECIAL INVESTIGATIONS DIVISION

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IRA REINER, DISTRICT ATTORNEY

April 25, 1986

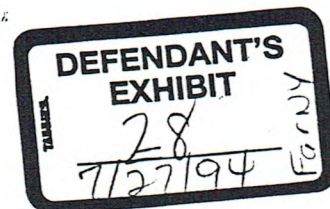
Rev. Ken Hoden
Rev. Kathleen Gorgon
Rev. Heber Jentzsch
Mr. John Peterson
Mr. David Butterworth
Church of Scientology
1301 N. Catalina
Los Angeles, California 90012

Gentlemen:

In re S.I.D. CASE NO. C85-0054 -

In your letters dated May 1 and July 19, 1985, you asked that this office investigate your allegations that:

1. Chief Daryl Gates of the Los Angeles Police Department, Agents Al Lipkin and Al Ristuccia of the Internal Revenue Service, Gerald Armstrong, and Michael Flynn have committed the crime of conspiracy to obstruct justice.
2. Internal Revenue Service Agents Al Lipkin and Al Ristuccia additionally "aided and directed" the commission by Gerald Armstrong of violations of Penal Code Sections 182 (Conspiracy), 134 (Preparing False Evidence), and 653f (Solicitation of the commission of certain crimes).
3. Gerald Armstrong additionally prepared false documentary evidence in violation of Penal Code Section 134; committed extortion in violation of Penal Code Section 518; and solicited commission of the crimes of burglary, receiving stolen property, and forgery, in violation of Penal Code Section 653f.



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4. Michael Flynn additionally aided Gerald Armstrong in his violations of Penal Code Section 182, conspiracy, and Penal Code Section 653f, solicitation of burglary, receiving stolen property, and forgery.

Following his receipt of your letters, Steven A. Sowders, Head of the Special Investigations Division, met personally with Rev. Jentzsch and Rev. Hoden to discuss your complaint. I have since reviewed the voluminous materials you submitted in support of your charges, and I have spoken at length on the telephone and in person with church members John Peterson and David Butterworth. In our several conversations, I informed both Mr. Butterworth and Mr. Peterson that in order intelligently to evaluate the Church of Scientology's allegations, I would need further information. In addition to the documents already provided, I asked them to provide me with:

- (1) A complete description of the events to which the submitted documents relate, including:
 - (a) the time, date, and place of each event;
 - (b) the names of all persons present;
 - (c) the circumstances in which the event occurred;
 - (d) the name of each speaker and identifying information about him.
- (2) A description of the manner in which the recording or other source information was obtained.
- (3) A statement from the person who obtained the recording or other data, identifying him, describing the manner in which he obtained it, and setting forth the manner in which he could authenticate any recording and any transcript involved.
- (4) An explanation of the relevance of the conversations and other materials cited to the allegations of criminal conduct.

I further requested that they furnish any other evidence they might have in support of the Church of Scientology's allegations. I particularly requested documentation setting forth the specific facts in support of the allegations recited above. I asked that they provide the date, time, and place of each alleged event, and the name, address, and telephone number of each witness.

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In response, I received from Mr. John Peterson a letter dated September 27, 1985, which letter I discussed on October 3, 1985, with Mr. Butterworth. Thereafter, following many attempts on my part to schedule a meeting with either Mr. Peterson or Mr. Butterworth or both of them, on December 10, 1985, they came to my office and conferred with Investigator Alan Tomich and me.

In that meeting, I reiterated my need to know the date, time, and place of each alleged event, and the name, address, and telephone number of each witness. I further asked whether the Church of Scientology had any additional evidence in support of its allegations. Messrs. Peterson and Butterworth responded that they had submitted to this office all the evidence that they had.

I explained to them that, in order to decide whether a prosecutable crime had been committed, we had to interview those persons who had observed the events that were alleged to constitute the criminal conduct; and that in order to interview those persons we needed to know who they were and where we could find them. In response, Mr. Peterson repeated the suggestion he made in his letter of September 27, 1985, that we interview Eugene Ingram, who had videotaped certain events which, Mr. Peterson said, were the basis of his allegations. He declined, however, to identify, beyond the name "Joey," the persons other than Gerald Armstrong who appear on the tapes.

It was my understanding that Messrs. Peterson and Butterworth intended to review the matter and that they would subsequently forward the requested witness information to me. Their response was a letter dated December 15, 1985, which contained a witness list comprised of the names of the persons the Church of Scientology has accused plus another I.R.S. agent and two police officers. He furnished no further information.

I responded to Mr. Peterson in a letter dated January 16, 1986, in which I summarized our December 10 meeting. In it, I also asked Mr. Peterson to permit Investigator Tomich to interview Mr. Eugene Ingram (whom Mr. Peterson, as an attorney, apparently represents), and I again requested that Mr. Peterson supply us with the information outlined above.

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In response, I received from Mr. Peterson a letter dated March 18, 1986. In it, he denied that he and Mr. Butterworth had intended, after the December 10 meeting, to provide further information, and he declared that we had received all the data he felt we needed.

It appears, then, that no further evidence in support of your allegations is forthcoming; and based on Mr. Peterson's statement on December 10, 1985, that I had understood and accurately summarized the evidence the Church of Scientology had submitted, it appears that the assertions of fact described below constitute in its entirety the evidence in support of your allegations of criminal conduct.

Allegation 1:

That Chief Daryl Gates conspired to obstruct justice.

Evidence:

The allegation of "planting a 'wire tap' on Michael Flynn" was referred to Chief Gates¹ by Assistant City Attorney Lewis N. Unger on April 17, 1985.² On April 23, 1985, Chief Gates publicly rebuked Officer Phillip Rodriguez and Investigator Eugene Ingram for video taping Gerald Armstrong. Within hours, Investigators Lipkin³ and Ristuccia were seen, apparently by Rev. Heber Jentzch,³ leaving Parker Center. There has allegedly been no effort to do anything about "Mr. Armstrong's crimes."⁴ Chief Gates also initiated an investigation "into the police officer and private investigator" (July 19 letter, p. 6).

Allegation 2:

That Internal Revenue Service Agents Al Lipkin and Al Ristuccia conspired with Gates, Armstrong, and Flynn to obstruct justice and that they "aided and directed" Gerald Armstrong in the commission of violations of Penal Code Sections 182, 134, and 653f.

Evidence:

John G. Peterson declared under penalty of perjury⁵ that "Armstrong showed he was being used by the Internal Revenue Service to gather information." In support of that declaration, Mr. Peterson included "excerpts from the videotape" which indicated that "GA" mentioned Al Ristuccia and gave Al Lipkin's telephone number to "J".

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Agents Lipkin and Ristuccia visited Officer Phillip Rodriguez and allegedly attempted to "strong arm" him. Agents Lipkin and Ristuccia stated that, on April 18, 1985, they interviewed Rodriguez, who admitted signing an authorization letter. The agents considered Rodriguez evasive and sought police assistance in obtaining his cooperation. The agents were seen leaving Parker Center on April 23, 1985.⁶

Armstrong told "J" that he had told Lipkin some people might want to talk to him, and that he had told Lipkin to go after Peterson.

Allegation 3:

That Gerald Armstrong conspired with Michael Flynnn, Daryl Gates, Al Lipkin, and Al Ristuccia to obstruct justice; prepared false documentary evidence; committed extortion; and solicited the commission of the crimes of burglary (Penal Code Section 459), receiving stolen property (Penal Code Section 496), and forgery (Penal Code Section 470), in violation of Penal Code Section 653f.

Evidence:

John Peterson declared that Armstrong conspired with a "church... staff member," was "used by...the Internal Revenue Service to gather information," "explained to the conspirators plans for attacking the church...and...Hubbard," and had a videotaped conversation with "J" which demonstrates his involvement with the government.⁹

"GA" told "J" to type the completed staff work on the policy and bring it in, that "issues can be created," but he was "not really saying create incrimination (sic) evidence...but just to write about the speculation." He also said, "They can never tell where the issue came from." He wanted the lawsuits to end so that he could get his "global settlement."¹⁰

Armstrong told "J" about a "good-looker" named Carol. He said "the way to the man's mind is through his cock" and "that's definitely the way to get to the top." He wrote a note which reads in part, "Establish available route for holding the cock of someone in ASI/WDC/etc."¹¹

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Armstrong allegedly wrote and handed over to someone on November 9, 1984, a "shopping list" of information which he asked a "church member to purloin." "GA" told "J" "something should be done so that they can capitalize on getting stuff...into writing and...unstabilizing the whole PI, attorney apparatus." He asked if "J" could get money to Peterson and told "J" to check the finance records. He said, "if we can get anything on Ingram (or) Peterson (or) finance records (or) other PI's (or) operation 'X'..., it's all vital."

Armstrong asked for specifics on payments to Ingram, and told "J" he should find what payments went to attorneys.

The handwritten list read in part, "1. Plan on Van Schaick...4. Anything on Hubbard or Don/ 5. Anything on upcoming legal battle... 8. Get me an original of an LRH Ed (current) or other issue type which could be from Hubbard. 8a. Same for WDC. Create one, get it distributed and get an assessment. Any partial that gives UP or ORG."¹²

He also told "J" he had given one "fanatic" document "to the Feds" and was giving them another.¹³

Armstrong told "J" on November 9, 1984, that he could type "things and duplicate them and make them look exactly the same" and that "we could set up a press and...produce issues...." He thought, "shouldn't I get some I HELP materials (?)". He wanted to know "how they're run off, what the type face is like..., - because we can simply create these;... - I can create documents with relative ease...."

"J" suggested changing some documents. "GA" responded that "a lot of things can be done", but he did not propose to "be stuffing things into their comm basket." He later commented that something could be pasted and photocopied.¹⁴

Allegation 4:

That Michael Flynn conspired to obstruct justice, and aided Gerald Armstrong in the crimes of conspiracy (Penal Code Section 182) and solicitation of burglary, receiving stolen property, and forgery (Penal Code Section 653f).

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Evidence:

In April, 1985, Flynn contacted the United States Attorney in Boston, the Internal Revenue Service, and the Los Angeles Police Department. Flynn's attorney, Raul Martinez then made allegedly false accusations of wire tapping.

Flynn told the Los Angeles Police Department that "Cooley" had had a video recording and a letter signed by Officer Rodriguez authorizing such a recording. By letter, Attorney Raul Martinez, representing Mr. Flynn, asked the City Attorney to investigate. The City Attorney forwarded the letter to Chief Gates.¹⁵

John Peterson declared under penalty of perjury that evidence indicated that Michael Flynn was directing Gerald Armstrong in order to steal documents, plot forgeries, steal legal strategies, implement a plot to seduce and blackmail a Scientologist, and conspire to suborn perjury.¹⁶

The "Van Schaick" case, referred to in Armstrong's "shopping list", was settled by Attorney Flynn.¹⁷

* * *

As Mr. Peterson has noted, I have spent a considerable amount of time reviewing and comprehending the materials you have submitted to this office. For the reasons set forth below, I do not find that those materials contain sufficient evidence of the commission of any of the alleged crimes to justify the further investigation of those allegations.

At the outset, I should like to point out the following regarding Mr. Peterson's letter dated September 27, 1985 and my subsequent communications with him. 1) Mr. Peterson told me that "the interviews took place in Griffith Park during... November, 1984." He has not otherwise responded to my request for a complete description of the events to which the documents related, including times, dates, places, names, circumstances, and identifying information. (See Request #1, above.)

2) Mr. Peterson told me that "tapes are not in dispute" and that details of the taping should be sought from Gene Ingram.

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But when Investigator Tomich sought to follow his advice, Mr. Peterson asserted he was Mr. Ingram's attorney, and he refused to permit Investigator Tomich to interview him.

In his letter of March 18, 1986, Mr. Peterson refused further to respond to my requests for a description of the manner in which recordings and other source information were obtained; and for a statement from the person who obtained the information (some of it apparently recorded, some of it apparently from other sources) identifying that person and describing the acquisition of the information, documents, or tape, and the manner in which it could be authenticated (proved to be what it purports to be). (See Requests Nos. 2 and 3, above.)

3) He submitted "data on the background of Jerry Armstrong" and the other documents referred to in the footnotes to this letter, in which he highlighted those portions he considered relevant to the allegations. He has not otherwise explained the relevance of the submitted materials to the allegations of criminal conduct. (See Request #4, above.)

4) He told me that the individuals speaking on the video tapes are "responsible witnesses who can be produced if necessary." Beyond submitting a list of the names of the persons you have accused and three of their associates, he has not otherwise responded to my requests that he document the specific facts which prove the commission of the crimes alleged, including the particular details about each event and the names, addresses, and telephone numbers of the witnesses (See the paragraph following request #4, above).

* * *

A conspiracy to obstruct justice is an agreement between two or more persons to do an act or omit to do an act, as the result of which justice or the due administration of the laws is obstructed or perverted. To convict a person of that crime the prosecution must prove that he made such an agreement with the specific intent to commit or omit the necessary act and that, while he was a member of the conspiracy, he or a co-conspirator committed an overt act in furtherance of the object within the prosecuting jurisdiction (in our case, Los Angeles County).

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Assuming that the factual allegations are true, and that Daryl Gates did receive from Michael Flynn a wiretapping complaint; did rebuke Officer Rodriguez and Investigator Ingram; and did initiate an investigation into possible criminal conduct by Rodriguez and Ingram; that Gerald Armstrong did have the above-described conversations with "Joey"¹⁸ about Al Lipkin and Al Ristuccia; that Lipkin and Ristuccia did interview Rodriguez, did consider him evasive, did seek Los Angeles Police Department assistance in obtaining Rodriguez's cooperation, and did visit Parker Center on April 23, 1985; that Armstrong told "Joey" to type staff work in order to create issues and that he did all the other things alleged (talked to "Joey" about "Carol," told "Joey" that "they" should destabilize the "PI, attorney apparatus," told "Joey" to check financial records, wrote and delivered the "shopping list," and gave documents "to the Feds") and that Michael Flynn both personally and through his attorney contacted the United States Attorney, the Internal Revenue Service, and the Los Angeles Police Department to complain about the tape recording, the actions of Officer Rodriguez, and other matters; and that he settled the "Van Schaick" case; we are unable to find in any of those allegations any evidence which would support an allegation that Chief Gates, Agent Lipkin, Agent Ristuccia, Mr. Armstrong, or Attorney Flynn agreed with anyone to commit or omit any act which might pervert or obstruct justice or the due administration of the laws.

No factual details (time, place circumstances, names of witnesses, etc.) have been submitted to support many of the conclusions that have been alleged. Thus there is no evidence that "there has been no effort to do anything about" crimes allegedly committed by Mr. Armstrong; that the Internal Revenue Service Agents attempted to "strongarm" Officer Rodriguez; that Mr. Armstrong conspired with a church staff member and explained to the conspirators his plans for attacking the church and Mr. Hubbard; that Mr. Armstrong wrote a "shopping list" of information and asked someone to "purloin" it; or that Michael Flynn made false accusations of wiretapping.

Therefore, the evidence of which we have been apprised of a conspiracy to obstruct justice is insufficient to warrant further investigation by this office.

To convict a person of the crime of preparation of false documentary evidence, the prosecution must prove that he in fact

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made the document, that it was false, and that he intended it to be produced as true for a deceitful purpose in a proceeding authorized by law.

Even assuming that it can be proved by competent, admissible evidence that Gerald Armstrong told "Joey" to type staff work and that "issues can be created," that "they can never tell where the issue came from," and that he wanted the lawsuits to end so that he could get his "global settlement"; that Armstrong wrote and gave to someone the "shopping list"; that he told "Joey" he wanted to get "stuff...into writing" and to "unstabliz(e)" the "apparatus"; that he said getting records was "vital"; that he said he could type and duplicate things and create documents and set up a press and produce issues, that he wanted to know about a type face, that a lot of things could be done and that something could be pasted and photocopied; none of this, taken alone, constitutes evidence that Mr. Armstrong in fact created a single false document or that he intended that such a document be produced for any purpose in any legal proceeding.

Further, in the documents submitted to us, Mr. Armstrong is quoted as stating that he was not advocating the creation of incriminating evidence and that he did not propose to "be stuffing things into their comm baskets."

We are aware of no other evidence which might lend criminal significance to the statements of Mr. Armstrong. We can find, therefore, no basis for a further investigation of the allegation that Penal Code Section 134 has been violated.

Extortion (Penal Code Section 518) is the obtaining of property from another with his consent, induced by a wrongful use of force or fear. The fear may be induced by a threat to injure a person or property, or to accuse the victim or a relative of crime, or to impute to any of them a deformity, disgrace, or crime, or to expose a secret affecting any of them. Penal Code Section 524 makes it a felony to attempt to commit extortion.

Assuming that it can be proved that Gerald Armstrong expressed the views alleged regarding the "way to the man's mind" and that he wrote the note referring to "ASI" and "WDC", that does not appear to us to be evidence that he or anyone obtained or

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attempted to obtain property from anyone by means of any threat. We therefore find no basis for further investigation of the allegation that Gerald Armstrong committed extortion.

The solicitation of another person to commit or join in the commission of burglary, receiving stolen property, or forgery is a felony, the proof of whose commission requires the testimony of two witnesses or of one witness plus evidence of corroborating circumstances. To convict a person of solicitation, the prosecution must prove that he asked another person to commit a crime with the specific intent that it be committed.

The solicitation of burglary requires a request that one enter a building or other specific place (See Penal Code Section 459) intending to commit larceny or a felony; the solicitation of receiving stolen property requires a request that one receive property that one knows has been stolen; the solicitation of forgery, a request that one, with the intent to defraud, sign without authority another's name or counterfeit his handwriting, or make any of the false documents specified in Penal Code Section 470, or knowingly utter such falsified document, signature, or handwriting.

Assuming that the allegations are true that Gerald Armstrong told "Joey" to type staff work, that "issues can be created." that "something should be done so that they can capitalize on getting stuff...into writing," that "if we can get anything on Ingram (or) Peterson (or) finance records..., it's all vital," and that "Joey" should find what payments went to attorneys; and, further assuming it to be true that Armstrong gave "Joey" a list which specified "plan" or "anything" "on" certain matters and stated "get me an original...issue type"; that he told "Joey" he had given and would give documents "to the Feds," that he could duplicate things and create documents, and that something could be pasted and photocopied; these allegations nonetheless do not constitute evidence that Mr. Armstrong, with the requisite intent, asked anyone to commit the crime of burglary, receiving stolen property, or forgery. We therefore find no basis for further investigation of the allegation that Gerald Armstrong violated Penal Code section 653f.

A person aids and abets the commission of a crime if, with knowledge of the perpetrator's unlawful purpose and with the intent to encourage or facilitate the commission of the crime, he aids, promotes, or instigates its commission.

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The documents submitted to us indicate that Gerald Armstrong gave "Joey" Al Lipkin's telephone number, that he told "Joey" that he had told Lipkin some people might want to talk to him, that he told "Joey" that he had told Lipkin to go after Peterson, and that he mentioned Al Ristuccia to "Joey". The allegations regarding Michael Flynn are described above.

None of those allegations is itself evidence of any unlawful connection between those men and Mr. Armstrong. Further, since we have been presented with no significant evidence of any unlawful conduct on the part of Mr. Armstrong, we do not find that there is sufficient evidence to warrant further investigation of the allegations that Al Lipkin, Al Ristuccia, or Michael Flynn aided and abetted the commission of any crime.

In addition to the lack of evidence set forth above, it must also be noted that, lacking knowledge of the manner in which the video tape recordings were obtained, we do not know whether their acquisition violated either United States or California law. If it violated federal law, material thus acquired even if relevant - which it does not appear to be - might be inadmissible in evidence.

For all of the reasons described above, we have concluded that there is no evidence in support of the allegations of criminal conduct on the part of Daryl Gates, Al Lipkin, Al Ristuccia, Gerald Armstrong, and Michael Flynn. Accordingly, we shall take no further action in this matter, and our file is closed.

Very truly yours,

IRA REINER
District Attorney

CURT LIVESAY
Assistant District Attorney

By 
ROBERT N. JORGENSEN
Deputy District Attorney

jeb

c: Chief Daryl Gates, L.A.P.D.
Ron Townsend, I.R.S.
Al Lipkin, I.R.S.
Al Ristuccia, I.R.S.
Gerald Armstrong
Michael Flynn

FOOTNOTES

1. This is set forth in a document entitled "6. Obstruction of Justice".
2. See Exhibit 7 attached to "6. Obstruction of Justice."
3. See Exhibit 11 attached to "6. Obstruction of Justice."
4. See Number 1, above.
5. See document entitled "5. Conspiracy."
6. See Number 1, above.
7. See document entitled "2. Soliciting... ."
8. See document entitled "1. Soliciting... ."
9. See Number 5, above.
10. See document entitled "4. Preparation of False Documentary Evidence."
11. See document entitled "3. Extortion."
12. See document entitled "1. Soliciting... ."
13. See Exhibit 1 page 16.
14. See document entitled "2. Soliciting... ."
15. See Number 1, above.
16. See Number 5, above.
17. See Number 8, above.
18. During our December 10 meeting, Messrs. Peterson and Butterworth identified "J" as "Joey".

I DECLARE

A Literary Work Created and Written
by
GERALD ARMSTRONG

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715 Sir Francis Drake Boulevard
San Anselmo, CA 94960
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I DECLARE

I, Gerald Armstrong, declare:

1. I am a defendant in the case of Church of Scientology International v. Gerald Armstrong, Michael Walton and The Gerald Armstrong Corporation, Marin Superior Court case no. 157680, filed July 23, 1993, hereinafter "Armstrong IV." I am making this declaration for all purposes, including the disposing of the Armstrong IV complaint, which, for literary purposes, is appended hereto as Exhibit A.

2. I am a defendant in the case of Church of Scientology International v. Gerald Armstrong and The Gerald Armstrong Corporation, Los Angeles Superior Court case no. BC 084642, hereinafter "Armstrong III," filed July 8, 1993. I am a defendant and cross-complainant in the case of Church of Scientology International v. Gerald Armstrong and The Gerald Armstrong Corporation, Los Angeles Superior Court, filed February 4, 1992, in Marin Superior Court as case no. 152229, and transferred March 20, 1992 to Los Angeles Superior Court and given case no. BC 052395, hereinafter "Armstrong II." I am the defendant and cross-complainant in the case of Church of Scientology of California and Mary Sue Hubbard v. Gerald Armstrong, Los Angeles Superior Court case no. C 420153, hereinafter "Armstrong I," filed August 2, 1982.

3. I am a writer, artist and philosopher. I am the founder of and present majority shareholder in The Gerald Armstrong Corporation, hereinafter "TGAC," also named as a

defendant in Armstrong II, III and IV. I am the sole office support of attorney Ford Greene in San Anselmo, California. Mr. Greene represents me in Armstrong IV, and, along with attorney Paul Morantz of Pacific Palisades, California, in I, II and III.

4. I was involved inside the Scientology organization, hereinafter the "organization," from 1969 through 1981 and held many staff positions in the Sea Org, Scientology's elite quasiparamilitary core. I gained a knowledge of organization policies and operations, worked closely for periods with the its founder and leader L. Ron Hubbard, and during my last two years inside did the research for a biography to be written about the man. I have detailed my organization experiences in many declarations and have testified in organization litigation in depositions and at trials approximately 55 days in probably 15 lawsuits from 1982 through 1993.

5. On June 20, 1984, following a lengthy bench trial in Armstrong I, LA Superior Court Judge Paul G. Breckenridge, Jr. issued a memorandum of intended decision, a copy of which is appended hereto as Exhibit B. Finding in my favor, he wrote, inter alia:

"In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the [organization] whom it perceives as enemies. The organization clearly is schizophrenic and paranoid, and this bizarre combination seems to be a

reflection of its founder LRH. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile." (Ex. B, at p. 8, l. 18)

On July 20, 1984 Judge Breckenridge ordered that his intended decision be deemed his statement of decision, and on August 10, 1984 entered it as judgment. The organization appealed.

6. On July 29, 1991 the California Court of Appeal, Second District, Division 3 issued its opinion, a copy of which is appended hereto as Exhibit C, affirming the Breckenridge decision. The Court of Appeal stated, inter alia, that the organization's "suppressive person declares" had "subjected Armstrong to the 'Fair Game Doctrine' of the [organization] which permits a suppressive person to be 'tricked, sued or lied to or destroyed...[or] deprived of property or injured by any means by any Scientologist....'" (Ex. C, Church of Scientology v. Armstrong, 283 Cal. Rptr. 917, at p. 920)

7. The Armstrong I cross-complaint, which, on the organization's motion had been bifurcated from the underlying case before the 1984 trial, settled in December, 1986. Armstrong II and III are breach of contract actions for damages and enforcement of the conditions of the central document in the

settlement entitled "Mutual Release of All Claims and Settlement Agreement," hereinafter the "settlement agreement," which the organization has attached as an exhibit to its Armstrong IV complaint, and which is appended hereto as Exhibit D.

8. I am an expert in the identification of the organization's fraudulent nature, practices and statements, and "fair game," the organization's fundamental philosophy and practice of opportunistic hatred, and I have testified as an expert in these areas. Because of what I know and my willingness to communicate freely to anyone who wants to hear, I am fair game's target. I have been subjected to the organization's cynical and dangerous legal and extralegal operations from 1982 to the present. I have documented dozens of instances of fair game in action toward me in my earlier declarations and oral testimony. See, for example, paragraphs 6 through 9 and 19 and 20 of my declaration of March 16, 1992, a copy of which is appended hereto as Exhibit E, filed in Armstrong II in Marin County in opposition to Scientology's motion for a preliminary injunction. The Armstrong IV lawsuit is another instance of fair game. It is based on the perjurious statements of organization lawyer Andrew H. Wilson. It is meritless and malicious.

9. The central charges of the Armstrong IV complaint are that: (a) beginning in February, 1990, and continuing until the present I wilfully and repeatedly violated the settlement agreement; (b) fearing that the organization would seek to collect the damages, which it claims to be due pursuant to the

settlement agreement's liquidated damages clause, I conspired with Michael Walton to fraudulently convey to him in August 1990 my interest in the real property situated at 707 Fawn Drive in Sleepy Hollow, Marin County, California, for the purpose of rendering myself "judgment-proof;" (c) in 1988 I transferred my material assets to TGAC at the time I embarked on a campaign to harass the organization with the intention of preventing the organization from collecting money from me pursuant to the liquidated damages clause, and that TGAC exists solely to make me judgment-proof; (d) in August, 1990 I transferred to Michael Walton cash and stock in TGAC with the intent to defraud the organization in the collection of its damages; and (e) the organization should get \$4,800,000.00 for all this fraud.

10. I will deal first with certain specific averments in the complaint; then with certain material facts which the organization and its lawyer, Mr. Wilson, were aware of before filing the verified complaint, but which have been disregarded in favor of fakery; and finally I will provide additional material facts and documentation to fill in any gaps in the historical events and their context which underlie the complaint and support the conclusion, which to me is ineluctable, that it is frivolous, malicious and should be dismissed.

11. Mr. Wilson states:

"Armstrong, a former Church member who sought, by both litigation and covert means, to disrupt the activities of his former faith, displayed through the years an

intense and abiding hatred for the Church, and an eagerness to annoy and harass his former co-religionists by spreading enmity and hatred among members and former members." (p. 2, 1.4)

The organization, as it has been and is operated, is not a church. It is neither a house of worship of God, nor a sanctuary for His children. Moreover, in Hubbard's claims of scientific verifiability for his prohibitive psychotherapy he insisted specifically that Scientology's efficacy did not, unlike religion, depend on faith. My Scientology involvement since I left from inside in 1981 has been with the organization's power structure; that is, the few who control all personnel, communication and finance units and decisions, the organization's litigation machine, intelligence and propaganda bureaus, its private investigators, and all of those segments' dirty tricks. My message has been that the power structure's policies and actions to harass and destroy labelled enemies, its doctrine of opportunistic hatred, and its spreading of enmity are not religious, not effective, and have only brought the organization and Hubbard inevitable ignomy. My message is that the only religious act in the world is forgiveness, that Hubbard lied when he defined forgiveness as "condemnation," that he miscalculated madly when he attempted to program himself with the idea that all men were his slaves, and then acted as if they were, and that the organization could just as easily be engaged in the emancipation of its members as their enslavement. I do not urge enmity among

its members and former members even toward the policies and practices of defrauding and brutalizing the innocent, but do urge understanding and forgiveness. That I disrupt the power structure's activities - its rewriting of history, daily fraud, mockery of religion, use of the law to harass, assault on our justice system, abuse of the good, bullying of the weak, and intimidation of those who should be the weak's defenders - I admit. These antisocial activities will continue to be disrupted until the organization realizes that such activities simply don't work, and out of self-interest forsakes the litigation business, discontinues the war on the innocent, and either becomes religion or drops that immodest mantle. But the disruption flows only from the organization's own antisocial actions, which rebound on their manufacturer if any target stands up, doesn't duck and is willing to take a few hits. I have no intelligence bureau, propaganda apparatus, private investigators, litigation machine and no hundreds of millions to finance them. I have no fair game policy, and no underlings to implement it if I did have one. I have no lawyers willing to lie for a little lucre and no operatives to steal documents, frame judges, compromise jurors, trick, sue or destroy invented and then targeted "enemies." Scientology's power structure is a big, black pot desperately seeking kettles to tarnish.

12. Mr. Wilson states:

"[the organization] sought, with the Agreement, to end all of Armstrong's covert activities against it, along

with the litigation itself." (p. 2, l. 9)

I had no covert activities against the organization. It is the organization with its army of agents, private investigators and lawyer cutouts which carries on its periculuous, albeit ridiculous, covert war. Hubbard patterned his espionage apparatus on the system developed by Hitler's spy master, Reinhard Gehlen, and the power structure has continued Hubbard's dark and secret methods to this day. The organization did not seek to end the litigation with me, and has not sought to end its use of litigation to achieve its global antisocial goals. It sought to silence me with threats and eliminate my ability to defend myself by contracting away from me my own attorneys, Michael Flynn of Boston, Massachusetts and Contos & Bunch of Woodland Hills, California, who had represented me throughout the Armstrong I litigation, so that it could keep its litigation machine running, continue to obstruct justice, use the law to harass, deny redress to its victims, and steamroll its opposition. Hubbard and his organization had ruthlessly and unremittingly attacked Mr. Flynn, my good friend and the prime mover for seven years in a national effort to bring Scientology to justice, suing him some fifteen times, filing false bar complaints against him, infiltrating his office, stealing documents, framing him with the forgery of a \$2,000,000 check, libeling him internationally, and, according to Mr. Flynn, attempting his assassination. The organization threatened his law practice, family and life, hurt his marriage, and finally

forced him, in his desperation to end the attack and threats, to sign a contract with the organization to not help me should the organization attack me after the contract's signing. Even its own settlement agreement (Ex. D) belies the organization's claim that it sought to end the Armstrong I litigation. Paragraph 4B allows the organization, following the December, 1986 settlement, to maintain the appeal from the Breckenridge decision, while requiring me to obstruct justice by not opposing any future appeals. Coupled with the likewise illegal contracts requiring my attorneys to not represent me in any such future appeals or in any action by the organization to enforce the settlement agreement, the agreement's intended effect was to remove any opposition to the organization's litigation juggernaut. My attorneys' signing of the non-representation contracts is understandable and wholly excusable when the threat of the organization's attacks on them is understood.

13. Mr. Wilson states:

"the Agreement contained carefully negotiated and agreed-upon confidentiality provisions and provisions prohibiting Armstrong from fomenting litigation against [the organization] by third parties." (Ex. A. p. 2, l. 12)

This is the big black pot feigning blindness by its layers of autogenous soot. The organization is very likely the most litigious entity this world has ever known. I have consistently done whatever I could to unfoment its litigation; in fact I have

adjoined it to get out of the litigation business completely, and to seek solutions to its problems through peaceful means and open and honest communication. So far it refuses to communicate with its targets, hides behind corrupt lawyers, and rejects openness and honesty in favor of luciferian litigiousity. Fomenting litigation is one of the organization's principal weapons in its war against its victims, its critics, the justice system and the world. The declaration of U.S. District Court Judge James M. Ideman dated June 17, 1993, a true copy of which is appended hereto as Exhibit F, shows one respected jurist's insight into the organization's abuse of the legal process and its fomentation of litigation:

"[the organization's] noncompliance [with the Court's orders] has consisted of evasions, misrepresentations, broken promises and lies, but ultimately with refusal. As part of this scheme to not comply, the [organization has] undertaken a massive campaign of filing every conceivable motion (and some inconceivable) [Judge Ideman's parents in original] to disguise the true issue in these pretrial proceedings. Apparently viewing litigation as war, [the organization] by this tactic [has] had the effect of massively increasing the costs to the other parties, and, for a while, to the Court. The appointment of the Special Master 4 years ago has considerably relieved the burden to this Court. The scope of [the organization's] efforts have to be seen

to be believed..... Yet it is almost all puffery -- motions without merit or substance." (Ex. F, p. 2, para 4, 5; filed June 21, 1993 in Religious Technology Center, Petitioner v. U.S. District Court, Respondent, David Mayo, Real Party in Interest, No. 93-70281 in the 9th Circuit Court of Appeals)

14. Mr. Wilson states:

"In or about February, 1990, Armstrong began to take a series of actions which directly violated provisions of the Agreement." (Ex. A., p. 2, l. 20)

In the fall of 1989, at the time I received a series of threats from organization lawyer Lawrence E. Heller, and after enduring without response almost three years of post-settlement fair game, I came to the conclusion that by allowing myself to be intimidated by the threats I would be abetting the organization's obstruction of justice, and that I had an inalienable right, and arguably even a duty, regardless of whatever the settlement agreement said, to not obstruct justice. My first action, and my only action, in February, 1990, was to petition the California Court of Appeal, Second District, Division Three for permission to respond in the appeal, No. B 025920, from the 1984 Breckenridge decision, which the organization had been able to maintain during all the intervening years. At the same time I petitioned Division Four of the Second District for permission to respond in another appeal, No. B 038975, that the organization had taken from a 1988 Los Angeles Superior Court order granting

the motion of contra-organization litigant Bent Corydon to unseal the Armstrong I court file , which had been sealed since the December, 1986 settlement. The organization opposed both petitions, Division Three granted the petition to respond in the appeal from Breckenridge, and I filed a reply in Division Four to the opposition in the unsealing appeal, supported by a declaration dated March 15, 1990, in which I detailed many of the organization's post settlement threats and attacks and stated my position regarding the unenforceability of several conditions of the settlement agreement. The March 15, 1990 declaration, along with the exhibits thereto, except for the Breckenridge decision (Ex. B to this declaration), is appended hereto as Exhibit G. Since my documents were filed openly in the appeals and served on all opposing counsel, the organization is fully aware of what I did in 1990, and that I had the Court of Appeal's permission to do it. Mr. Wilson's allegation that I began in February, 1990 to directly violate the settlement agreement contradicts an earlier allegation the organization and Mr. Wilson made in the Armstrong II pleadings. In the amended complaint filed June 4, 1992, a copy of which is appended hereto as Exhibit H, the organization states:

"As soon as he finished spending the money he extracted from [the organization] as the price of his signature, in June, 1991, Armstrong began a systematic campaign to foment litigation against [the organization] by providing confidential information, copies of the

Agreement, declarations, and "paralegal" assistance to litigants actively engaged in litigation against his former adversaries." (Ex. H, p. 2, l. 27).

The June, 1991 date would not work well in the organization's Armstrong IV fraudulent conveyance figment, so the February, 1990 starting date for my "violations" was fabricated. Similarly the allegation would not work that as soon as I had finished spending the settlement money I began whatever I did that the organization calls in its various documents a "systematic campaign." I could have spent the money; I could have fraudulently conveyed my assets; I couldn't have done both. I did neither. Nor did I begin a campaign, systematic or not, to foment litigation against any of the organization's entities.

15. Mr. Wilson states:

"Fearing that [the organization] would seek to collect the liquidated damages owed by his breaches, Armstrong, fraudulently conveyed all of his property, including real property located in Marin County, cash, and personal property to defendants Michael Walton, the Gerald Armstrong Corporation, and Does 1-100, receiving no consideration in return." (Ex. A. p. 2, l. 22)

I have never feared the organization collecting damages of any kind against me, nor even its seeking to collect damages. I do have an undeniable concern that before it comes to its senses or saner minds prevail in the organization the power structure will have me assassinated or do something else diabolical and

dangerous, and this has produced in me an awareness of threat and is a fact of my present psychological condition. These people are quite capable of violent and criminal acts, they are armed, and their head private investigator, Eugene M. Ingram, a former LAPD vice sergeant, who is reputed to have been busted from the force for pandering and taking payoffs from drug dealers, in 1984 threatened to put a bullet between my eyes, and in November, 1993 spread the rumor in broad daylight that I have AIDS. But I have never feared that the organization can win in court or ever be awarded damages against me. I do not believe any court in this country will order me to obstruct justice, not defend myself, nor even not profit monetarily from, much less communicate about, ongoing, open-court lawsuits in which I have been sued for millions of dollars. The organization operates in pretended blindness to the way rational people view its litigiousness, its abuse of process, its greed and its suppression of its members' decent natures. My conveyance of 707 Fawn Drive to Michael Walton, my forgiving of debts owed to me, and my giving away of cash, personal effects and TGAC stock were not motivated by fear of the organization perhaps suing me and conceivably, although not beyond improbably, being awarded monetary damages in any such lawsuit. To the contrary, I believe that should any of the Armstrong II, III or IV cases go to trial I will be awarded attorney's fees, costs and damages, and that either the organization will agree to rescind the settlement agreement's unfair and unenforceable clauses or our courts will rule them

illegal. I had believed throughout 1990 and 1991 that it was entirely likely that the organization would never sue me, even after attorney Heller's threats of litigation, since it had to know that it could never win in an uncompromised court, and that any lawsuit it might bring against me would only bring it further disgrace. I gave away my assets after a great deal of contemplation, which included acceptance of the fact that thereafter if I stood up against injustice I would have to stand up to the organization, and for that matter any organization, individual, army or nation, essentially penniless. My amended answer to the Armstrong II amended complaint, a copy of which is appended hereto as Exhibit I, filed and served on Mr. Wilson October 8, 1992, states:

"Armstrong denies that he ever extracted money from the ORG. Armstrong denies that in June, 1991 he had finished spending his money. In August 1990 Armstrong had given away all his assets for reasons unrelated to the ORG, except that he evaluated that because the ORG committed so much harm with its billions of dollars there was no reason not to give his money away, and that it was better to combat the ORG's tyranny without money than not to combat it with wheelbarrow loads of it. Armstrong denies that in June, 1991 he began any campaign, provided any confidential information to anyone, copies of any agreement, declarations, and paralegal assistance to any litigants." (Ex. I. p. 3,

para. 3, l. 23)

I believe that in exchange for my willingness to renounce what were my worldly assets in August, 1990, I have received consideration far beyond what I imagined at the time. I could not and did not attempt to predict in August, 1990 what would happen in the years that have followed. I proceeded with the faith that our Creator was the Source of the idea of renunciation and that I could trust Him to guide me and care for all my needs. The subsequent years have shown me that my willingness flowed from His grace and that my trust was exceedingly well placed.

16. Mr. Wilson states:

"Armstrong caused his own personal assets to be transferred to [TGAC] without adequate consideration in order to evade payment of his legal obligations, and defendant Armstrong has completely controlled, dominated, managed and operated [TGAC] since its incorporation for his own personal benefit." (Ex. A. p. 4, l. 15)

"Armstrong transferred his material assets to [TGAC] in 1988, at the time of his embarkation on the campaign of harassment..., and with the intention of preventing [the organization] from obtaining monetary relief from Armstrong pursuant to the liquidated damages clause. Hence [TGAC] exists solely so that Armstrong may be "judgment proof." (Ex. A., p. 5, l. 3)

Again to make irrefutable facts fit his fraudulent conveyance

fiction, Mr. Wilson has, frankly, fudged. I incorporated TGAC in 1987 and activated it at the beginning of 1988. At that time I also transferred to the corporation all my drawings and other artwork, writings, rights thereto, office equipment and supplies, and I provided startup capital. In exchange I received one hundred percent of TGAC's stock. Mr. Wilson's conclusion that one hundred percent ownership of the corporation which owned my products, rights to their commercial exploitation, plus office materiel was not adequate consideration for those products, rights and materiel, is dissemblingly dense. His allegation that I embarked in 1988 on a campaign of harassment is duplicitously daft. Yet this is utterly unsurprising standard Scientological operating procedure. Very simply, the organization requires its members and its lawyers to lie; and should they ever decide to stop lying, its members and lawyers become fair game. The only thing I did in 1988 regarding the organization was to remain silent in the face of its continuing post-settlement threats and attacks. Mr. Wilson's assertion that TGAC exists solely to make me judgment proof, if it were not being made by an officer of the court under the paw of the pestiferous power structure of this contumelious cult for its pernicious purposes of revenge, fair game, black propaganda, attack on my friends, waste of everyone's time, and my psychological and economic destruction, would just be faintly funniferous flapdoodle.

17. Mr. Wilson states:

"The consideration paid to Armstrong was fair,

reasonable and adequate." (Ex. A., p. 7, l. 1)

I agree that the consideration was reasonable. The organization paid me as recompense for its fraud and abuse over the more than twelve years I devoted to L. Ron Hubbard and for the five years of fair game harassment after I left. It settled with me out of court in December, 1986 rather than face the trial of my Armstrong I cross-complaint, then set for March, 1987. It again defrauded me at the time of the settlement because it represented, through my attorney Michael Flynn, that it was discontinuing fair game and getting out of the litigation business. It did not pay me, nor did it even offer to pay me, to be fair game's willing victim and a tool the rest of my life in its abuse of our justice system and suppression of our brothers.

18. Mr. Wilson is aware of the truth behind his untruthful statements in the Armstrong IV complaint, but has chosen, in order to forward his client's malicious intentions, to ignore that truth. He is aware, as shown in paragraph 14 above, since he is an attorney of record in the case, that in the Armstrong II complaint the organization has claimed that in June, 1991 I began what it calls "a systematic campaign to foment litigation." Mr. Wilson, as shown in paragraph 15 above, is also aware that I stated in my answer in Armstrong II that I had given away my assets in August, 1990, for reasons unrelated to the organization. These reasons are in truth irrelevant to any of the organization's claims in any of the Armstrong cases, but incredibly have been made relevant by Mr. Wilson due to his

dishonest insistence, in order to justify his further harassment of me with the filing of Armstrong IV, that my renunciation was the product of some conspiracy to defraud the organization that pays him to attack me.

19. In my deposition in Armstrong II taken on July 22, 1992 by Mr. Wilson, pages 266 through 270 from the transcript of which are appended hereto as Exhibit J, the following exchanges occurred:

(For clarity I have integrated into the quoted sections the corrections I made in the deposition transcripts in my review of my testimony pursuant to the California Code of Civil Procedure)

"Q. (Mr. Wilson) How about this, why don't you just tell me, tell me the business of the Gerald Armstrong Corporation is.

A. (Me) The Gerald Armstrong Corporation possesses a number of Gerald Armstrong's artistic and literary works, possesses rights to a number of his inventions and rights to certain formulas, and is in the business of bringing peace and exploiting its assets for commercial and peaceful purposes.

Q. Okay. What does it do to exploit its assets for commercial purposes? Make anything, sell anything?

A. It sells things and it makes things.

Q. What does it make.

A. It makes sculptures, cards, works of art, literary

works, campaigns.

Q. What campaigns does it make?

A. It is a contributor and possessor of certain rights within the group known as the Runners Against Trash and the same within the organization known as the Organization of United Renunciants.

Q. What is the Organization of United Renunciants?

A. It is an organization dedicated to the preservation of the world through peaceful means.

Q. What have the people in the organization renounced, if anything?

A. The people in the organization renounce money.

Q. Does that mean they give away their money?

A. They can if they want.

Q. Did you give away the money that the Church paid you in settlement?

A. Well, I'm, that's not a very well worded question, because I gave away all my assets including my money.

Q. When?

A. When? August 1990.

Q. Who did you give it to?

A. A number of people.

Q. Can you tell me who they are?

A. No.

Q. Did you give any of it to Michael Walton?

A. Yes.

Q. Why did you give it away?

A. Because I considered that I was guided to do so.

Q. By whom?

A. The Source of all that is.

Q. Who is that?

A. God.

Q. Now when God guided you to give away all your assets, did [H]e guide you to give them to particular people or did you make that decision?

A. I believe that I was guided each step of the way.

Q. Okay. When you say you gave it away, I take it you didn't receive anything in return in terms of monetary compensation?

A. Right.

Q. Can you tell me why you decided to give some of it to Michael Walton?

A. Because it was logical.

Q. Why?

A. And because I was so guided.

Q. Can you tell me what about it was logical?

A. I guess initially it's logical because he was a friend of mine in close proximity to me, and I believed that he had a need at that time." (Ex. J. p. 266, l. 12 - p. 269, l. 3)

20. In my deposition in Armstrong II taken on October 8, 1992 by Scientologist lawyer Laurie J. Bartilson, Mr. Wilson's

co-counsel in II, III and IV, pages 459 through 475 from the transcript of which are appended hereto as Exhibit K, the following exchanges occurred:

"Q. (Ms. Bartilson) And if I ask you how much of the proceeds were still remaining in your pocket at some period later when you gave away all of your assets on the instruction of God, you won't tell me that either, correct?

A. (Me) Correct." (Ex. K. p. 460, l. 25 - p. 461, l. 4)

"Q. Does the Gerald Armstrong Corporation have any material assets?

A. Yes.

Q. Generally what are those assets, categories of things?

....

A. It owns original artwork and it has rights, inasmuch as such are assertable, in certain inventions and formulas." (Ex. K. p. 463, l. 12 - l. 24)

"Q. What is its (TGAC's) function?

A. It cares for, archives, promotes and exploits the works of Gerald Armstrong, and it is a vehicle for peace." (Ex. K. p. 469, l. 19 - l. 22)

21. In my deposition in Armstrong II taken on March 10, 1993 by Ms. Bartilson, pages 555 through 557 from the transcript of which are appended hereto as Exhibit L, the following exchange occurred:

"Q. Did you transfer that large body of work to The Gerald Armstrong Corporation in August of 1990?

A. No. The Gerald Armstrong Corporation already owned those things.

Q. So was it The Gerald Armstrong Corporation transferring it away or the right to it away?

A. The Gerald Armstrong Corporation owned a number of things. I gave away the corporation. The corporation possessed a number of assets.

Q. So at the beginning -- at the end of the transaction the corporation still owned the assets, but different people owned The Gerald Armstrong Corporation?

A. Correct.

Q. You are still a part-owner President of The Gerald Armstrong Corporation, are you not?

A. I am now.

Q. But you were not in August of 1990?

A. Correct.

Q. You have since reacquired it?

A. Correct.

Q. How much of the stock do you presently own in The Gerald Armstrong Corporation?

A. Eighty." (Ex. L, p. 556, l. 14 - p. 557, l. 11)

22. In the deposition of Michael Walton in Armstrong II taken on February 24, 1993 by Mr. Wilson, pages 39 through 42 from the transcript of which are appended hereto as Exhibit M,

the following exchanges occurred:

"Q. (Mr. Wilson) And he's never transferred any property to you?

A. (Mr. Walton) Yes, he has.

Q. What has he transferred to you?

A. He transferred his interest in Fawn Drive to me.

Q. And what consideration did you pay him for that?

A. None.

Q. It was a gift?

A. Yes.

Q. And when did that occur?

A. I think it was around the time of the Desert Storm.

I don't -- I really don't -- I'm not quite sure. I can tell you it was -- it was approximately a year before the -- No, I can't tell you that either. I'm really not sure.

Q. Do you know why he transferred it to you?

A. I know what he told me.

Q. What did he tell you?

A. I'm trying to remember it. Let me think about it and see if I can remember under what circumstances. I don't believe this has any relation to any representation. [G]erry told me that he'd had a vision from God.

Q. That's it?

A. That's the reason. That's when he divested of all

the property that I know of." (Ex. M. p. 39, l. 9 - p. 40, l. 13)

23. On four days from the fall of 1991 through the spring of 1992 organization Scientologist attorney Kendrick Moxon, of Bowles and Moxon, attorneys of record in Armstrong I, II, III and IV took my deposition in Religious Technology Center, Church of Scientology International and Church of Scientology of California v. Joseph A. Yanny, Los Angeles Superior Court case no. BC 033035, known in the Scientology litigation arena as Yanny II. This case involved the organization's claim that Mr. Yanny, formerly one of its lawyers, was representing me in litigation against the organization. The claim was spurious, invented as a way to attack Mr. Yanny and me, and the case was dismissed by the Court before trial. The organization appealed and on January 11, 1994 the California Court of Appeal, Second Appellate District, Division Three affirmed the judgment of dismissal (B068261). During my deposition of March 17, 1992, pages 449 through 462 from the transcript of which are appended hereto as Exhibit N, the following exchanges occurred:

"Q. (Mr. Moxon) Did Yanny ever give you any money? Has he ever given you any money.

....

A. (Me) Mr. Yanny has bought some meals for me, Mr. Yanny has paid for parking. He has not given me any money other than that.

THE REFEREE (Honorable Thomas T. Johnson): And you

stayed in his house?

A. Right

Q. Didn't he pay for you to come down to Los Angeles?

A. What that became was Mr. Yanny's purchase of stock in the Gerald Armstrong Corporation.

Q. Who owns the Gerald Armstrong Corporation?

....

A. The Gerald Armstrong Corporation is owned by stockholders, and I decline to divulge who all the stockholders are.

....

THE REFEREE: The testimony is that there is a corporation. I take it there have been questions in the past about the purpose of the corporation. There is testimony that there are shareholders. More than one shareholder I take it?

A. Yes, your Honor.

THE REFEREE: And that Mr. Yanny is a shareholder. Is Mr. Yanny a majority shareholder.

A. No.

THE REFEREE: Without saying who the shareholders are, how many shareholders are there?

A. I believe 12.

THE REFEREE: Are you a shareholder?

A. No, I'm not.

THE REFEREE: I'll sustain the objections to any further

questions on this shareholdings. Is the corporation registered with the state of California?

A. Yes, your Honor.

THE REFEREE: How old is the corporation?

A. 1987.

THE REFEREE: Let's go on to something else.

....

Q. How much money did Yanny give you for stock in the Gerald Armstrong Corporation?

....

A. \$1,000.

Q. When did he give it to you?

A. My recollection is July and August or September, 1991.

....

Q. How many shares did that give Mr. Yanny?

A. One.

Q. One share?

A. One.

Q. Do the shares have any specific value?

A. \$1,000.

Q. Did anybody else give you \$1,000 to but a share?

A. Yes.

....

THE REFEREE: What's the purpose of the inquiry?

MR. MOXON: The purpose is that I believe, and I would

like to explore, whether or not money has been acquired by Mr. Armstrong through some improper means through a sham corporation that was established for the purpose of paying him off for his work in relation to the situation we're involved in, and potentially for his testimony.

....

THE REFEREE: Let me suggest another question. You can certainly ask him whether a share of stock was issued for the payments.

Q. Was a share of stock issued to Mr. Yanny?

A. It has his name on it. It has not been delivered to him yet.

Q. Why not?

I have not finished the artwork.

Q. Are you drawing the share?

A. No, the share is a printed share. Each share which I issue has artwork on it. And I have not had the opportunity and I have not ... been in a place to perform that artwork.

....

Q. How many shares of stock does this corporation possess?

A. One hundred.

Q. What does Yanny get in exchange for his share of stock.

A. One percent ownership in the corporation.

....

THE REFEREE: What the purpose of the corporation?

Somebody went to the state and got permission to have a corporation. What's the purpose of the corporation?

A. The corporation provides philosophic services. The corporation owns all my literary and artistic works.

It is my expectation that the corporation will become profitable and [] those people who have had the courage or wisdom to invest in the corporation, as a result of the profitability of the corporation, wealthy."

24. The idea of giving away my house, TGAC stock and other assets, and forgiving all debts owed me, came to me in August, 1990. This idea, which I consider Divinely inspired, came, I believe, in answer to my prayer during that period requesting guidance concerning humanity's condition, and specifically the then developing Middle East crisis following Iraq's August 2, 1990 invasion of Kuwait. I was moved by media reports of the invasion, the global tension, and the daily events of Desert Shield, and I sought to know what, if anything, God wanted me to do. The idea of renunciation of worldly wealth, although coming at that time as a surprise, and unclear as to the details for its accomplishment, was not altogether illogical because I had long recognized that money, greed and power motivated much of the madness that made human beings war against each other.

25. Renunciation first entered my consciousness when I was quite young, probably less than ten years old, during a period I attended Sunday School or Sunday services at the Anglican Church in Chilliwack, British Columbia, Canada where I was born and raised. An essential message of the Christian Gospel which I learned during that period of my life is the storing up of treasure, not in the world where it can be stolen, lost or destroyed, but in Heaven where it is kept safe eternally. My earliest recollection of a specific teaching on the subject, and one which has stayed with me throughout my life, is the story of the rich young man, reported in Matthew, Mark and Luke. The King James Bible, Chapter 19 of the Gospel According to St. Matthew, a copy of which is appended hereto as Exhibit O, contains the following passage:

"And, behold, one came and said unto [Jesus], Good Master, what good thing shall I do, that I may have eternal life?

And he said unto him, Why callest thou me good? there is none good but one, that is, God: but if thou wilt enter into life, keep the commandments.

He saith unto him, Which? Jesus said, Thou shalt do no murder, Thou shalt not commit adultery, Thou shalt not steal, Thou shalt not bear false witness,

Honour thy father and thy mother: and, Thou shalt love thy neighbour as thyself.

The young man saith unto him, All these things

have I kept from my youth up: what lack I yet?

Jesus said unto him, If thou wilt be perfect, go and sell that thou hast, and give to the poor, and thou shalt have treasure in heaven: and come and follow me.

But when the young man heard that saying, he went away sorrowful: for he had great possessions.

Then said Jesus unto his disciples, Verily I say unto you, That a rich man shall hardly enter into the kingdom of heaven.

And again I say unto you, It is easier for a camel to go through the eye of a needle, than for a rich man to enter into the kingdom of God.

When his disciples heard it they were exceedingly amazed, saying, Who then can be saved?

But Jesus beheld them, and said, unto them, With men this is impossible; but with God all things are possible.

Then answered Peter and said unto him, Behold, we have forsaken all, and followed thee; what shall we have therefore?

And Jesus said unto them, Verily I say unto you, That ye which have followed me, in the regeneration when the Son of man shall sit in the throne of his glory, ye also shall sit upon twelve thrones, judging the twelve tribes of Israel.

And every one that hath forsaken houses, or

brethren, or sisters, or father, or mother, or wife, or children, or lands, for my name's sake shall receive an hundredfold, and shall inherit everlasting life.

But many that are first shall be last; and the last shall be first." Ex. O, Matthew, 19, 16 - 30.

It was not until some time in 1983, more than a year after leaving the organization that I began to understand the wisdom of these words, and only in August, 1990 that I was led to follow them.

26. During my years inside the Scientology organization I was subjected to L. Ron Hubbard's very different philosophy and practices concerning treasure, value and his brand of ethics. In the few times he mentions God in his writings, Hubbard attempted to mock Him, and he ridiculed the thought of Heaven. In his "upper level" secret directives Hubbard wrote that Christ is an implant, a Scientology term meaning a fixed idea electronically installed by force and pain to control and suppress its human victim. In exchange for money paid for his pricey psychotherapy Hubbard promised the worldly treasures of increased IQ, better communication skills, power, physical health, and the ability to make even more money. Unable to deliver on these secular promises, however, Hubbard and his organization, in response to the thousands of people who have been defrauded and requested refunds pursuant to his "money-back guarantees," have employed an army of lawyers to con our courts with the idea that these representations are "religious" and the ill-gotten and often

extorted payments are "donations." Hubbard stated as his organization's financial "Governing Policy," MAKE MONEY.... MAKE MONEY. MAKE MORE MONEY. MAKE OTHER PEOPLE PRODUCE SO AS TO MAKE MONEY. The United States Tax Court thought this policy so noteworthy it quoted it in its official reports in Church of Scientology of California v. Commissioner of Internal Revenue, 83 TC 381 (1984) at 422. Hubbard and his organization justified their uncharitable policies and nature with a concept he called "rewarding downstats," which meant that the unable, infirm and poor should not be helped because helping such persons only rewarded them for being unable, infirm or poor. A related Hubbardian "truth" which permeated the organization was that people "pull in" the bad things which happen to them; that is, they bring upon themselves, or deserve, their difficulties or tragedies. This concept is used not only to excuse Hubbard and his organization's disregard for human suffering in all its forms, but to extol the suffering they have heaped on their "enemies." The attack on, for example, writer Paulette Cooper to ruin the woman (the organization's intelligence bureau under Hubbard's direction, in a scheme called "Operation Freakout," which had as its stated purpose to either get her imprisoned or driven insane, obtained through trickery her fingerprints on sheets of paper which were then used to send "anonymous" bomb threats to political figures) was right, "pro-survival" and "ethical," because Ms. Cooper pulled it in. While this idea supports the Scientological group psyche in its organization, and

in the entity it presents as plaintiff and defendant in our courts, its policy, philosophy and psychology do not allow the application of the same idea to L. Ron Hubbard or to the power structure that replaced him after his death in January, 1986. It is forbidden inside the organization even to think a critical thought about Hubbard or Scientology, and grounds to be declared "fair game" to expound either the idea that perhaps he may have done something to pull in some of the names he's been called; e.g., bigamist, bully, charlatan, cheat, liar, megalomaniac, swindler, wife beater; or that just maybe some of the persons the organization attacks do not deserve it. This double and twisted standard that Hubbard implanted in the Scientological mind keeps the organization's employees and customers ignorant of wisdom and blind to the madness of their actions, words and appearance. But reasonable and rational non-Scientists are not blind to these things, as shown herein in the Breckenridge decision (Ex. B) and the Ideman declaration (Ex. F). Hubbard was shrewd enough to understand that even to the brainwashed a persona of "egoism, greed [and] avarice" (Ex. B, p.9, 1.2) would trigger rejection; thus in public and in the legal arena he applauded his generosity and flatly denied the suggestion of inurement. In a public relations piece that went to every Scientologist in the world, and to any non-Scientologist who wanted one and many who didn't, he wrote that for all his work in saving mankind he was paid less than an average organization staff member. I was an average staff member during this assertion's international dissemination

and I was paid between \$4.30 and \$17.20 per week. Hubbard paid himself untold millions. He had complete control of the organization and all organization bank accounts, and concocted amazing schemes for international money laundering; all while having his organization's personnel swear in civil litigation, criminal cases and official investigations that he had resigned as Scientology's director in 1966 and from that date had played no part in the organization's management. In keeping with his secret affirmations that "all men are my slaves," and "I have the right to use men's minds as I please," by which he programmed himself in the early days of his "development" of Dianetics and Scientology, he kept his workers impoverished while he ripped off millions illegally from the "charitable" corporations in which they labored. The new power structure has embarked on a glossy PR campaign in which it laments that all Scientology services aren't free and that it needs to charge what it does to "help create a safe and pleasant environment for everyone." A more accurate statement of the organization's fiscal philosophy is the article in the May 6, 1991 Time magazine, on the cover of which over an erupting octopodous monstrosity is blazoned "Scientology - Cult of Greed." I know personally a great number people who have been victimized, abused and ripped off and discarded for no other reason than to satisfy the power structure's avariciousness. It is my knowledge of this cult of greed and the threat its leaders think I am to their shaky house of fraud that has brought them and their attorneys to attack me

so relentlessly. I acknowledge that it is possible to view the giving away of my possessions in 1990 as a reaction to the years of inculcation with Hubbardian greed and meanspiritedness; but I do not see it that way. Hubbard and his organization were never able to destroy in me my God-given nature. Even inside the organization, in circumstances which made charity, compassion and understanding dangerous activities, Hubbard and his enforcers were never able to achieve total suppression. They were not successful with me, and I believe it will be ultimately shown that they will not have been successful with anyone; nor is suppression of anyone by any regime, state or entity entirely successful. It is our God-given nature that brought every person into Scientology and the Sea Org, and willing to live, work, fight for a cause, and endure terrible abuse, without thought of profit, bank accounts, investments or retiring. In his abuse of that divine nature Hubbard proclaimed it a "high crime" to even discuss retiring with one's fellow Scientologist workers. My analysis is that the use of our highest nature by an individual or organization for purposes not in our best interest; that is to say, suppression, is not merely not religion, it is irreligion; and as irreligion it should be stood up to and seen for what it is. My position in the litigation is that by justice, law, this country's constitution, and God's Will, I am free to communicate that analysis in all the ways it can be said and by any means and media there are to say it.

27. I have considered myself a professional artist and

writer since 1984. In the fall of that year organization operatives broke into the trunk of my car and stole a book manuscript with original art I then valued at \$50,000.00. I demanded my things returned to me but the organization denied possessing them. I have recently been advised by former organization executive Vicki Aznaran that during a time when she was involved organizationally with its present leader David Miscavige in operations against "enemies," he acknowledged the organization's theft of my manuscript and scoffed at my work's literature. Also in the fall of 1984 the "Armstrong Operation," in which the organization had used one of its covert agents, Los Angeles spy story writer Dan Sherman, to get close to me to set me up in a number of situations, culminated in my being videotaped in conversations with two other organization agents, David Kluge and Mike Rinder. At the end of 1984 I split up with my wife Jocelyn, who had escaped with me from the organization in December, 1981, and in early 1985 I travelled to Portland, Oregon for the trial of Julie Christofferson v. Scientology, Multnomah County, Oregon Circuit Court, Case No. A7704-05814. During my cross-examination at the trial in April, 1985, the Armstrong Operation videotapes and the fact that Sherman, Kluge and Rinder, who had been presenting themselves as my friends, afraid for their lives, and seeking my help to reform the organization's criminal nature, were actually covert operatives intent on destroying me, were "introduced" by organization lawyer, Earle Cooley,. In September, 1985 I moved to Boston and worked at the

Flynn, Joyce & Sheridan law firm until the December, 1986 settlement. The organization continued to run operations against me during this period, I continued to write and draw, allowed God to work on my mind and heart, and in 1986 founded a church.

28. In January, 1987 I moved to Oakland, California, and then purchased a home in the Berkeley-Oakland hills where I lived until 1989 when I purchased a new home in the same hills. During this period I wrote and drew and followed what I prayed was guidance. I set up and worked out of an office, on the urging of Michael Walton incorporated TGAC, started running and helped whomever I could. Although I knew the organization still viewed me as an enemy and had attacked me in various ways after the settlement I did not become substantially reinvolved with it in the legal arena until the fall of 1989, and spent virtually no time until then on organization-related matters. I became an accredited Teacher of God during this period, and also was given my first glimpse of the resolution of the economic problems facing the world. This glimpse, which I wrote into an essay entitled "A Crash Course in Speculation," a copy of which is appended hereto as Exhibit P, was a step toward my renunciation, which itself is, I believe, an incident of planetary salvation. My reinvovement with Scientology is described in my declaration of March 15, 1990 (Ex. G hereto), my declaration of December 25, 1990, a copy of which is appended hereto as Exhibit Q, and in the boxes of documents filed in the four Armstrong cases. I filed the December 25, 1990 declaration as an appendix to a response

brief in the appeal (B 038975) of the order unsealing the Armstrong I court file for Bent Corydon.

29. I first met attorney Michael Walton in about April 1982, shortly after we both began working at the law firm of Feldsott, Lee and Van Gemert in Newport Beach, California. We became friends and stayed friends when I left southern California, moved to Portland, Boston and the Berkeley-Oakland hills. We spent many hours together through those years and talked for many hours about many things, including my art, writings, inventions and philosophic ideas, and we considered doing various projects together involving these products or ideas. Mr. Walton was familiar with my Scientology history and litigation, the organization had taken his deposition in Armstrong I, claiming it was needed because he was for some matters my administrative senior in the Feldsott firm, and he attended several days of my trial in 1984. He has represented me in literary and legal matters and I have consulted with him on a number of occasions since that time. Before becoming a lawyer he taught English in university, he is a writer, and for a period of time before the December, 1986 settlement, considered writing a book himself about Hubbard.

30. One of the things I did with the money I was given in settlement of Armstrong I was to form a partnership with Fairfax architects Rushton-Chartak and San Anselmo builders Grizzly Hill Construction to purchase a rare piece of property at 707 Fawn Drive in the unincorporated land of Marin County and build

thereon a spec house, hereinafter "Fawn." I provided the initial capital, the work was done and the house completed toward the end of 1989. At the same time an unusual phenomenon in the California half-million-or-so dollar house market occurred; it dried up and crashed. For me all of a sudden it made economic sense to buy Fawn myself. When that idea arose, the idea of hooking up with Mr. Walton and doing some of our often-discussed projects together also arose, and fairly naturally, because he had been thinking about leaving the south and Fawn was a reasonably big house which could sensibly contain his law office, my business, our respective companions and his one-year old son. We arrived at an arrangement which worked for both of us, I sold my East Bay house, and the five of us moved into Fawn in May, 1990. I made the down payment for the Fawn purchase and put enough cash into a joint checking account to cover a year's mortgage and utilities payments. Although to a Scientologist, the organization's lawyers or other similarly hard-nosed business persons it can certainly be argued that I put more than my share of capital into Mr. Walton's and my venture, in which it would also be mainly my creations or ideas which would be commercially developed, and that there is therefore something wrong, suspicious or even fraudulent in so doing, to me these actions rather reflect rightness and probity. I was dedicated to my work being God's and to doing some creative projects with Mr. Walton, I had generally had a something different from ungenerous nature, and I knew, as expressed in my 1989 essay "A Crash Course in

Speculation," that money has no value. I don't deny that renunciation has significantly altered my numismatic largess.

31. Within a month or so of the move into Fawn, Mr. Walton's friend Jody and their son Dylan moved out, we got our offices functioning and spent a lot of time getting the house and yard functioning. I ran, and with my helpmeet Lorien Phippeny developed into demonstrated workability a program to have the world's runners clean the planet of its street litter. I joined a running club and bought a mountain bike. Before the move to Marin County Mr. Walton had already agreed to represent me in the organization's appeal (B 025920) from the Breckenridge decision, permission to respond in which I had already obtained from the Court of Appeal in February, 1990, and we filed a Respondent's Brief on July 9, 1990.

32. Also in February, 1990 I received an invitation from the IRS to discuss my 1987 tax return. The discussion did occur, the IRS issued an Information Document Request, and I responded on April 24 with a book which I have given the working title Auditing Gerald Armstrong. A copy of the manuscript along with its supporting documents, except for those which are already exhibits to this declaration, is appended hereto as Exhibit R. This complete book was produced by me on March 10, 1993 in attorney Wilson's office pursuant to the organization's request for production in Armstrong II. Mr. Wilson and the organization were therefore aware of the following facts from the Auditing GA manuscript before they filed the Armstrong IV complaint:

A. That I had written "A Crash Course in Speculation;"

B. That in July, 1987 I had offered to the captors then holding several hostages in Lebanon my interest in my house, and for that matter my life, without monetary consideration, and for reasons unrelated to the organization;

C. That in the summer, 1989 edition of Common Ground I had offered my philotherapeutic sessions at no cost;

D. That Nancy Rodes had declared under penalty of perjury on November 28, 1989 that she knew me to be a religious figure and had been my hagiographer since 1984; and,

E. That TGAC has never existed solely so that I may be "judgment proof."

33. Even though I was aware of Jesus's admonition to his disciples to not be troubled by wars and rumors of wars (Mark 13, 7; Luke 21,9), I was undeniably affected by the media images of Desert Shield as it built into Desert Storm and the international diplomatic drama that accompanied the military operations. I had already been moved, I felt, to enter the political and sociological landscapes, as, I believe, is shown by the letter to the captors, "Crash Course" and their recipients lists. I had also considered and argued in these other political matters - the hostages, the economy - that something could be done about them, and that what I thought could be done was, at least on paper, a better idea. It was not out of the ordinary or out of character, therefore, for me to consider that I could do something about Desert Shield, Desert Storm or the whole blessed Middle East. It

was at that time that the idea came to me to give away my worldly possessions and to give myself to the cause of peace. After some thought, I transferred my interest in Fawn to Mr. Walton, divided my one hundred percent ownership of TGAC equally between my friends Nancy Rodes, Michael Douglas, Lorien and Mr. Walton, and forgave all debts owed to me. I knew by this time that our Source is also the source of everything, including money, and that He would provide for me all that I would need to carry out His work. I also was fully aware that I was engaged with the organization on the legal battlefield, and, although I was confident of the outcome, I had no idea what would happen on the road toward that day. I recognized that the organization's ruling clique was motivated by the same forces of money, greed and power that made men war against each other and that my renunciation was spiritually directed at bringing peace for the organization no less than the rest of the world. And, as I stated above, I accepted the fact that should my legal battle with the organization continue I would more likely than conceivably litigate indeed in forma pauperis. I communicated my decisions to everyone directly affected by them, took care of the paperwork needed to make the decisions legally effective, and tied up various loose ends. It became clear to me that the renunciation had left me unattached and free to travel wherever I was called should I be. I gave my car to Lorien, but she returned it, and we took a trip together during September through the western states and British Columbia to develop a sociological

concept that had come to me. When we returned to California Lorien moved to Santa Cruz and I, not then being called to go elsewhere, stayed at Fawn where I worked on some house and grounds projects, continued to maintain TGAC's office, and kept picking up trash. I also came up with what I thought was a good plan for resolving the Middle East crisis and I communicated this plan to various media and certain leaders or envoys I thought were in positions to do something about it. In my letter to Saddam Hussein of November 1, 1990 I offered, as I had with the Lebanese captors in 1987, to exchange myself for the hostages then being held in Iraq; but I did not sweeten the deal with my interest in a house, as I done in the earlier offer, because I had already conveyed it to Mr. Walton. Copies of this letter, my November 7, 1990 letter and list of addressees to which they went, my December 10, 1990 and January 10, 1991 letters are appended hereto as Exhibit S.

34. On December 28, 1990 I filed a response brief and appendix (Ex. Q hereto) in the B 038975 appeal (see paras. 14 and 28 above). On December 31, Mr. Walton married Solina Behbehani, and she and her teenage son Sephy moved into Fawn. Oral argument in the two appeals, B 025920 and B 038975 was heard on February 20, 1991. At some point during the months following my renunciation it became clear to me that I would go in the world wherever my help was asked for, and, as much as was sensibly safe, courteous and wise, provide my help without monetary remuneration. Initially only Mr. Walton asked for my help so I

had no reason to leave Fawn. Then Nancy Rodes asked me to help her complete and clean a house she had built in the Oakland hills, which I did through the spring of 1991. This worked well because she was broke and I worked for free. I returned to Fawn for a couple of weeks to complete a painting project I'd started earlier, then travelled to British Columbia for my parents' fiftieth wedding anniversary. While in B.C. I received a call from Malcolm Nothling in Johannesburg, South Africa who asked for my help in a lawsuit he had brought against the organization which was then set for trial in August. He said he had not been able to find anyone else in the world willing to testify about the organization's policies and practices. Having already put the organization on notice in February, 1990 that I considered the restrictions of the settlement agreement unenforceable, and after listening to Mr. Nothling's story, and because he asked, I agreed to help him. I told him, however, that I wanted first to see if his situation could be resolved peacefully without the waste and hatred which seem to be the hallmarks of the organization's legal confrontations. A copy of my effort, a letter to attorney Eric Lieberman, who represented the organization in the Armstrong I appeal and in many of its appellate matters, is appended hereto as Exhibit T. Mr. Lieberman sent me a letter rejecting my peace proposal, I flew to Johannesburg and helped Mr. Nothling, but did not testify because the organization was able to obtain a postponement of the trial.

35. Soon after my arrival back from Canada and just before

leaving for Johannesburg I got a call from attorney Joseph Yanny, who'd become a good friend over the previous year or more, and who had come into the case of Richard and Vicki Aznaran v. Scientology, US District Court for the Central District of California case no. CV-88-1786-JMI, after the Aznarans were tricked by the organization into firing their lawyer of more than two years, Ford Greene. The organization had immediately filed a mountain of summary judgment and other motions. Mr. Yanny said he needed my help. I travelled to Los Angeles in the few days I had before I was scheduled to fly to South Africa, on July 16 wrote a declaration, a copy of which is appended hereto as Exhibit U, concerning the effect of the 1986 "global settlement" on litigants against the organization and in the legal community, and generally helped out in the moral support department. Mr. Yanny is a member of my church and we have talked many times over the past few years on matters of the soul.

36. As I was leaving for South Africa I learned from Mr. Yanny that the organization had sued him for allegedly inducing me to breach the settlement agreement. In response to that charge, between planes in New York I wrote a declaration dated July 19, 1991, a copy of which is appended hereto as Exhibit V, in which I stated my philosophy regarding my calling to help.

"But more than a desire to protect myself or right the organization's unjust acts towards me, however, I helped Mr. Yanny for the simple reason that he asked.

I will do the same for anyone....It is not only the

right of all men to respond to requests for help, it is our essence. If I was induced, therefore, to help Mr. Yanny, or anyone else, it was our Creator Who induced me."

The organization's lawsuit against Mr. Yanny actually claimed that he was representing me in Scientology-related litigation, which was, the organization also claimed, since he had for a period of time represented it in various matters, a breach of his continuing duty to it. Although I had consulted Mr. Yanny regarding some of my literary and artistic products and ideas, he had never represented me in any litigation and I had never consulted him about my organization legal battle. The organization's allegation that he represented me had no basis in fact and the complaint was dismissed.

37. While I was in South Africa the California Court of Appeal on July 29, 1991 affirmed the Breckenridge decision, and I learned that Judge Ideman in the US District Court had reinstated Ford Greene as counsel for the Aznarans. When I arrived back in the US I returned to Fawn and a day or so later dropped by Mr. Greene's office, which, as Heaven would have it, is maybe two and a half miles away in uptown San Anselmo. It became instantly clear that Mr. Greene, in a very tangible way, as much as anyone else in the world, really did need my help. He faced the Everest of motions, which the organization had filed when the Aznarans were lawyerless, with no time, no staff, no sleep, little organization, hopelessly in debt, hounded by creditors, his own

car held by a creditor garage. Again I achieved near perfect economic symbiosis: he had no money and I worked for free. To render it a truly irrefusable deal, I had wheels. I knew my way around a law office, had something of a history of document assembly, could run a photocopier, stapler and hole punch, answer a phone, and had an adequate command of the Canadian language. I was blessed with an understanding of the cultic manufacturers of the paper mountains that threatened to crush Mr. Greene, his office, and the Aznarans along with them. And I recognized that Mr. Greene, in spite of whatever had brought him to the point of desperation where he truly needed my kind of help, had a really good mind and heart, a unique talent, was, as I had begun to see we are, guided, and with great luck and hard work might survive. So I've been working with him, as his sole office support, since August 15, 1991. We have both survived, worked hard, taken a few hits, and Mr. Greene can now afford to pay me something and does. When things were really lean some other good friends have loaned me money, TGAC sold a couple of shares to still others, and always money has arrived, as God would have it, in His unmistakably mysterious ways. Mr. Greene has successfully defended me in the four cases the organization maintains against me and has helped me as I have helped him.

38. Immediately upon my return from South Africa I received a copy of a lawsuit the organization had filed August 12, 1991 against seventeen named United States agents, Church of Scientology International v. Xanthos, et al., US District Court

for the Central District of California, No. CV-91-4301 SVW(Tx). Included in the complaint, a copy of which is appended hereto as Exhibit W, was the allegation that:

"The infiltration of the Church was planned as an undercover operation by the LA CID (Criminal Investigation Division of the IRS) along with former Church member Gerald Armstrong, who planned to seed church files with forged documents which the IRS could seize in a raid. The CID actually planned to assist Armstrong in taking over the Church of Scientology hierarchy which would then turn over all Church documents to the IRS for their investigation." (Ex. W. P. 14, l. 3)

Although I had seen this organization attack line in many forms and venues since 1985, this 1991 charge signaled to me that the organization was not about to peacefully end its legal and psychological war in which I was one of its most hated enemies. In recognition of that fact as well as logistical reasons I moved out of Fawn and into Mr. Greene's law office at the same time as I started working with him. Mr. Walton and I had already picked up organization surveillance at Fawn, his stepson Sephy was very troubled by the threat he perceived, everyone in the house felt threatened to some degree by the organization, and I did not want to bring any danger to this family, who were my dear friends and completely uninvolved with my Scientology conflict.

39. When I began working with Mr. Greene I almost

immediately picked up surveillance, and very shortly thereafter the organization began to attack with declarations and motions filed in the Aznaran case, accusing me of violating various court orders, illegal activities and acting as Mr. Yanny's covert agent in Mr. Greene's office. In response to this paper onslaught, on September 3, 1991 I wrote a declaration, a copy of which is appended hereto as Exhibit X, which was filed by Mr. Greene in Aznaran.

40. On October 3, 1991 the organization filed a motion in Armstrong I to enforce the settlement agreement, I opposed, and on December 23 at a hearing where I was represented by attorney Toby Plevin, Los Angeles Superior Court Judge Bruce R. Geernaert denied the motion. Judge Geernaert was familiar with the case, having inherited it after Judge Breckenridge's retirement and having unsealed the file on Bent Corydon's motion. On February 4, 1992 the organization filed Armstrong II in Marin County and on March 20 it was transferred to Los Angeles Superior Court. The organization brought a motion to enjoin me from violating the settlement and on May 28, 1992 Judge Ronald M. Sohigian entered a partial injunction, a copy of which is appended hereto as Exhibit Y, prohibiting me from assisting litigant claimants against the organization, but refusing to prohibit me from doing anything else the organization might consider settlement agreement violations. I filed an appeal from the Sohigian injunction, Scientology v. Armstrong, No. B 069450 in the California Court of Appeal, Second Appellate District, Division Four. At this date

the appeal has been fully briefed and is awaiting the scheduling of oral argument.

41. In October, 1992, stirred by the imminent national election, I came up with a plan for inspiring the peaceful transformation of the nation's, and the world's, economic system through the Organization of United Renunciants, hereinafter "OUR," which I had conceived of and founded some time earlier. I wrote a series of short essays on the plan and the thought underlying it and sent a pack of these materials to several political and media persons. A copy of OUR basic pack, including the list of its initial recipients, is appended hereto as Exhibit Z. In one of the essays entitled "OUR Deadline" I wrote:

"George Bush's deadly deadline to Saddam Hussein gave me the idea of issuing OUR deadline. The fact that it was OUR deadline resulted in the Organization of United Renunciants. Organizing renunciants made sense because I had, in August 1990, as a result of understanding the Persian Gulf crisis, and accepting the idea of renunciation as guidance, given away all my money, real estate, paper holdings and personal effects and forgiven all debts owed me."

42. On November 11, 1992 the Marin Independent Journal published an article entitled "Is money the root of problems? Critic of cash, credit urges monetary abolition," a copy of which is appended hereto as Exhibit AA, dealing in manifestly good humor with my economic idea and OUR plan for its implementation.

IJ reporter Richard Polito writes:

"Fellow renunciants will renounce all cash and credit, stop taking money, forgive all their debts and stop keeping financial records.

The critic of credit has already put his money where his doubts are. He gave it all away. And it was more than pocket change.

Armstrong won an \$800,000 settlement in a harassment suit against the Church of Scientology six years ago." (Ex. AA)

43. Because the Nothling case was then set to go to trial in February, 1993, on December 22, 1992 I again wrote to the organization to see if a communication from me could initiate a peace process. A copy of my letter, addressed to David Miscavige, the person who in every sense can order anything within the organization or its corporate, financial or legal affairs anywhere in the world and enforce compliance with all such orders, is attached hereto as Exhibit BB. I sent copies of the letter to an extensive list of people I thought should be apprised of its content. Having been accused by the organization so stridently for more than a year of "fomenting litigation" against it, I made a special point and, I think, an honest effort, in this letter, and in my other communications, to unfoment its litigation. I include in the letter a statement of an aspect of my belief, which, I believe, is central to understanding the organization's conflict with me.

"I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is."

(Ex. BB, p. 10)

The organization appears in its statements and efforts to view me as competition in what it claims as its niche, which it calls "applied religious philosophy," in what it apparently perceives as the salvation market. Appended hereto as Exhibit CC, for example is a copy of an organization directive in which I am labelled a "squirrel," a hate word the organization uses for people it considers its competition. Hence it seeks to destroy my reputation and resorts to outrageous legal shenanigans to have me judicially silenced. In truth, although some of what I say or do could be construed as applied religious philosophy, I have

never used this description. I do not compete with Scientology for anything, and certainly not for its paying customers. I promote the philosophy that salvation is free, and the organization promotes a philosophy that says that the only workable means of salvation costs a certain, and generally escalating, quantity of money, or, for its employees, a certain number of years of labor, and that the organization possesses and owns said only workable means and the only workable delivery system. My philosophy is owned by everyone, and the living God is its Source, as He is of everything. Scientology proclaims that its deceased leader L. Ron Hubbard is salvation's source. I neither sell nor use the organization's philosophy and my delivery system is different in every way from the organization's. If people want to pay for salvation and take something not indistinguishable from a significant amount of time getting saved they can go to Scientology. Those who want immediate salvation without any sacrifice or cost whatsoever can come to me. The organization does not even accept as customers anyone who believes that salvation is available right now without sacrifice, so I am in no way a competitor. The organization banks on the idea that there^{are} people who want to pay money for salvation, so it promotes to that paying public. I bank on the idea that we're already saved, so for Heaven's sake don't spend good money on it. Since I am not looking for anyone who wants to pay for salvation, and do not even consider that if someone feels he wants to pay for it I have something to sell him, I truly am

not in competition with the organization. There are, admittedly, probably more people who want salvation to be free than there are who want to pay for it, but that is just the way Providence has dealt out preferences for freedom versus cost. Also admittedly, in a strictly business sense my philosophy has another undeniable advantage because in this world everyone can afford the salvation I offer; whereas those who can afford Scientology's road to salvation, without even taking into account the desire to devote the time the organization says is required, are considerably fewer in number. But the organization enjoys certain advantages as well because of its administrative structure and technology; for example, its policy prohibiting its customers from mixing practices. Once people become Scientology's customers the organization will not permit any to come to me to be saved and continue on its salvation program, what it calls the "bridge to total freedom." In fact the persons I had saved would not even be allowed to continue to hang out with their Scientologist friends, and those Scientologists would be prohibited from hanging out with their former friends once I've saved them. Those kinds of prohibition wouldn't work well in my delivery system, so anyone I save is at liberty to jump ship and take up Scientology's cross, and still, as far as I and my philosophy are concerned, hang out with me or anyone else in the world. This does not put a great strain on me, it's true, because in my system, as stated above, salvation doesn't take time, nor does it have to be repeated. There is, of course, the matter of the

other people the organization also rejects and refuses to save even if they could afford the program; for example, drug users, the mentally ill, convicted felons, present criminals, shock victims, critics, people declared suppressive persons and people connected to people declared suppressive persons. Thus there may be some crossovers, but it is silly of the organization to complain because I save those souls it rejects. By its Suppressive Person Declares in 1982 (see, Ex. C, p. 920), the settlement agreement in 1986 (Ex. D), and its lawsuits to enforce the agreement up to present time, the organization has sought to prevent me from having access to its means of salvation and delivery system. The settlement agreement required that I

"never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization." (Ex.D at p. 10)

If persons are rejected by Scientology because they had a criminal conviction, took LSD, testified truthfully in organization litigation, are crazy, or were, as I had been, declared a suppressive person, and such persons still want salvation, they can come to me. I save everyone and believe there is nothing anyone can do to prevent his being saved. I simply do it for free, whereas the organization charges its customers to do it to them. Clearly, Scientology has its public

and its market and I have mine. I do not advertise to those who want to pay for salvation so there is no way I can possibly threaten the organization's customer pool. In fact I don't advertise even to those who want salvation at no cost, but simply trust that God will lead to me, without charge, those people I am to save. If Scientology moved into my field and started saving people without cost of any kind, it would conceivably have a reason to view me as competition and consequently would have an excuse to ruin my reputation and have me judicially restrained from practicing my profession. I think that if the organization really were to move into my technological field, however, it would see that it's wide open and there are more than plenty of customers who don't want to pay for salvation, can't, or both, to go around. I tried the organization's philosophy for a meaningful number of years, and because I am intellectually sound, observant, trained in wisdom, and willing to talk and testify about my observations and can form reasoned opinions thereon, I am, in the litigation world, an expert therein. It goes without saying that when lots of people are willing to talk about their organizational observations I will cease to be considered an expert. But even until that day dawns, although I am an expert in what the organization sells as its means to salvation, I am not in competition with it. There is no reason for it to feel threatened by my beliefs or my salvatory methodology, and no reason for it to vilify me or work so assiduously to get some court to silence me. I follow the system

perfected by Jesus Christ which is not even in competition with nothing or no one.

44. On December 31, 1992 the organization filed an ex parte application in Armstrong II for an order to have me held in contempt of court. The application and the supporting declaration of attorney Bartilson, along with the exhibits thereto, except those which are already exhibits to this declaration, are appended hereto as Exhibit DD. Exhibit G to the Bartilson declaration is my December 22 letter to David Miscavige (Exhibit BB hereto), and exhibit R is a copy of the November 11 Marin Independent Journal article (Exhibit AA hereto). Ms. Bartilson also attaches to her declaration a few excerpts from my depositions, correspondence from Ford Greene regarding three of his clients, Tillie Good, Denise Cantin, D.O. and Ed Roberts, all of whom had claims against the organization for refunds of money extorted from them, the transcript of a video interview I did in November, 1992, and two proofs of service I signed in the Aznaran case. Ms. Bartilson charges that these things add up to six violations of the Sohigian injunction and that for each of said violations I should be fined and jailed. In her application, citing to the Independent Journal article, Ms. Bartilson argues:

"The Court should exercise all of its available powers to impress upon Armstrong that its orders mean what they say and will be enforced, despite the intransigence of an enjoined party. Indeed, incarceration is an unusually viable vehicle for

impressing upon Armstrong the import of his obligations, inasmuch as Armstrong has publicly disavowed money as a meaningful commodity." (Ex. BB, Memorandum p. 13)

Although in Armstrong II the organization used my renunciation to support its effort to have me jailed, in Armstrong IV the organization omits any mention of renunciation, claiming instead that my giving away of my assets were fraudulent conveyances to render me judgment proof, and that in fact I still owned and controlled those assets, and was presumably rolling, albeit quietly, in dough. The organization is in error in both of its scenarios. My conveyances were not fraudulent, and because I may have disavowed money is no reason I should be incarcerated.

45. Appended hereto as Exhibit EE is a copy of my declaration dated February 2, 1993 and the exhibits thereto which I wrote in response to Ms. Bartilson's December 31, 1992 declaration and application for the order to show cause re contempt (Ex. DD hereto). Exhibit F to my declaration and described therein at page 24 is a page from the organization's November 1992 edition of its publication "Membership News," which it uses to attack the Cult Awareness Network, hereinafter CAN, an organization which educates the public about destructive cults including Scientology and provides support to families broken apart or hurt by such destructive cults. Although the article is only a common, Scientologically standard, fair game, bald-faced, Black PR smear of CAN and me, it again shows the organization's

recognition of my monetary philosophy and renunciation.

"Armstrong has some odd financial ideas. He is the self-proclaimed founder of the "Organization of United Renunciants." In November 1992, the Marin Independent Journal attempted to explain Armstrong's philosophy of life in an article "Is money the root of all problems?" (Ex. F to Ex. EE hereto)

My February 2 declaration was not filed in Armstrong II because it was felt the organization's effort to have me held in contempt could be defeated without my testimony. I did file a declaration, a copy of which is appended hereto as Exhibit FF, executed on February 11, 1993 by former organization covert operative Garry Scarff. Mr. Scarff had been involved in operations against Mr. Greene and me with the organization's head private investigator, Eugene Ingram, identified in paragraph 15 above.

46. On March 5, 1993 at a hearing on the organization's contempt attempt, a copy of the transcript of which is appended hereto as Exhibit GG, Los Angeles Superior Court Judge Diane Wayne refused to rule because the appeal from the Sohigian injunction was still pending. She did, however, make a couple of comments about the injunction's enforceability which, if nothing else, ought to have been taken to heart by the organization.

"THE COURT: It seems to me ridiculous to hold this hearing prior to a determination whether or not this is a valid order. I mean, I have serious questions about

the validity of the order.... (Ex. GG, p. 2)

I'll tell you, when I first looked at this order, I thought the order was clear until I then read part of the transcript. Then it became unclear to me. And I think that is in front of the appellate court, whether or not this is an order capable of being followed, because Judge Sohigian's comments that at least confused me a little bit." (Ex. GG, p. 6)

47. On March 22, 1993 LA Superior Court Judge David A. Horowitz, who presides over Armstrong II for all purposes except the enforcement of the Sohigian injunction, granted my motion to stay all proceedings pending a decision in the appeal of the injunction. In his order, a copy of which is appended hereto as Exhibit HH, he stated:

"The central issue of this case is the legality and validity of the [1986 settlement] Agreement. The Court of Appeal could certainly reach that issue in its determination of the validity of the injunction. If it does, that ruling could be determinative of many of the issues of this case. It makes no sense to proceed with this matter until the Court of Appeal makes its ruling." (Ex. GG)

48. On March 18, 1993 I made an agreement with Bob Carlson, the producer of a talk show, "Lifeline," on a Christian religion radio station, KFAX, in Fremont, California, to be a guest on the show on April 28. When I arrived at the station on that date,

the host Craig Roberts handed me a fax letter received a few minutes earlier from Ms. Bartilson, a copy of which is appended hereto as Exhibit GG. In the letter, which is addressed to me, Ms. Bartilson threatens more litigation if I did the show.

"Should you appear on this radio show in violation of the Agreement, the Church of Scientology International will pursue all remedies within the judicial system to obtain damages form the violation and/or to enjoin any future violations of a similar nature."

Mr. Roberts said that because the letter also threatened the station with litigation should I go on the show, and because although the station had called its attorney it had not spoken to him, I would not be on the show. I responded to Ms. Bartilson on May 3 with a letter, a copy of which is appended hereto as Exhibit HH.

49. On June 4 I executed a declaration, a copy of which, along with the exhibits thereto except for the Breckenridge decision, is appended hereto as Exhibit II, in support of a special motion to strike the complaint in the case of Church of Scientology of California v. Larry Wollersheim, LA Superior Court No. BC 074815, hereinafter "Wollersheim II." In 1986 Lawrence Wollersheim had won a thirty million dollar judgment in the case of Wollersheim v. Scientology, LASC No. C 332027, hereinafter "Wollersheim I." The organization had appealed and the Court of Appeal, while castigating Scientology's fair game doctrine and coercive use of its psychotherapy techniques, reduced the award

to two and a half million (Wollersheim v. Scientology (1989) 212 Cal. App. 3rd 872; 260 Cal. Rptr. 331.) The organization had taken the judgment up to the US Supreme Court, back again to the California Court of Appeal, and on a trip or two to the California Supreme Court. Then on February 16 1993, shortly after the Wollersheim I trial judge Ronald Swearinger died, the organization filed Wollersheim II, seeking to have the original judgment set aside by alleging that Judge Swearinger had been biased against the organization in the 1986 trial. My June 4 declaration focuses on my observations and knowledge of the organization's litigation practices, which had clear relevance to what it was trying to do in Wollersheim II.

"Scientology regularly attempts to bludgeon the opposition into submission with a blizzard of meritless paper, motions, depositions, appeals, writs, Bar complaints, criminal complaints, perjured testimony, and other improper and abusive tactics.

I am also aware that Scientology uses an attack strategy against judges who rule against it, which includes claims of bias and prejudice and frequently personal attacks. For instance in [Armstrong I], Scientology twice tried unsuccessfully to disqualify Judge Breckenridge from the case because of his alleged bias, and levied personal attacks on him, accusing him publicly of Nazi affiliation. Similarly in Aznaran ... Scientology unsuccessfully attempted to recuse Judge

James Ideman because of alleged bias." (Ex. II, p. 5)

50. On July 26, 1993, attorney Bartilson filed another application in Armstrong II with Judge Diane Wayne seeking to have me held in contempt for providing the declaration to Mr. Wollersheim. The application and Ms. Bartilson's charging declaration are appended hereto as Exhibit JJ. Ms. Bartilson supports the application with the same shoddy argument she used in her December 31, 1992 application, that when I state in my June 24, 1992 deposition that I have no intention of honoring the settlement agreement I am talking about the Sohigian injunction. (Ex. JJ, Memorandum p. 2; Ex. BB, Memorandum p. 3, l. 3; Ex. BB, Bartilson Declaration, p. 2, l. 26; See also Ex. CC, p. 1, para. 3) She concludes that:

"Gerald Armstrong should be ordered to show cause why he should not be held in criminal contempt of this Court for his June 4, 1993 declaration, with punishment in the form of a fine not to exceed \$1,000.00 and/or jail time not to exceed five days as this Court sees fit."

51. Appended hereto as Exhibit KK is a copy of my memorandum filed September 7 in opposition to Ms. Bartilson's order to show cause re contempt. Mr. Greene argues in the opposition that:

"It is clearly discernible that, whatever infirmities intrinsic to the injunction there are, Armstrong is prohibited from "voluntarily assisting" persons with

claims "against" Scientology. In other words, Armstrong is prohibited from assisting private litigant plaintiffs in litigation in which Scientology is a party." (Ex. KK, p.4, l. 3.)

"For the purpose of the instant application, the only salient point is that in Wollersheim II, Scientology sued Wollersheim. Therefore, any assistance provided by Armstrong to Wollersheim in Wollersheim II is outside the scope of the Sohigian injunction." (Ex. KK, p. 5, l. 8)

52. Apparently undeterred by Mr. Greene's illumination of the facts, on September 10 Ms. Bartilson filed a response, a copy of which is appended hereto as Exhibit LL, defending her effort to have me found in criminal contempt with the assertion that because Mr. Wollersheim had been a claimant in Wollersheim I I was prohibited by the Sohigian injunction from assisting him in Wollersheim II where he is a defendant. She bolsters her argument with the amazing pronouncement that the 1993 action, Church of Scientology of California v. Larry Wollersheim, "is not litigation levelled "against" Larry Wollersheim." (Ex. LL, p. 3, l. 12).

53. In support of her response to my opposition, Ms. Bartilson filed a letter dated August 15, 1993, a copy of which is appended hereto as Exhibit MM, that I wrote to attorney Wilson in an effort to mitigate damages and initiate a peace process in the Armstrong IV case. Ms. Bartilson quotes in her response a

Court of Appeal had still not ruled in the appeal from the Sohigian injunction, again refused to entertain the organization's application to have me held in criminal contempt, and reset the hearing on the two orders to show cause for December 6. This hearing has now been continued again to April 6, 1994.

55. TGAC, defendant in Armstrong II, III and IV, possesses, cares for and commercially develops my products and is in the business of peace. Appended hereto as Exhibit NN are pages from Pacific Bell's Marin yellow pages for 1992 and 1993, wherein TGAC is listed in the category "peace organizations." TGAC also provides philosophic services in a number of other areas of human endeavor and understanding, such as law, religion, health and economics. It is a unique company with unique, both banal and beneficent products. It has not yet become financially profitable, but I believe that is merely a matter of time, and I am not unhappy that TGAC's buildup toward profitability has taken the form, route and time that it has. It has also become apparent to me that the litigation in my life may very well require resolution before TGAC is free to tackle the problems and projects for which it was created. But no matter what conspiracy theories the organization and its lawyers fabricate, TGAC was not created to have anything to do with it, its litigation or its philosophy. TGAC's founder, owner, president, manager, senior baker and vice president for questions and loopholes, just happened to be a person with a long,

intense history with the organization, which has its own long, intense history. No matter what kind of business I had gotten into I would have brought with me the same history; which is now, six years and three more Scientology lawsuits later, even longer and no less intense. No matter what kind of business, or enterprise, profession, career or club, I had gotten into the organization would have carried out the same set of post-settlement fair game sillinesses to keep me involved with its litigation and its leaders. I happen to have been given certain talents, knowledge and identity by my Creator. I am a writer, thinker and artist, and thus my words, art and ideas exist, and some of them TGAC happens to own and possess, and, God willing, will develop commercially.

56. When I activated TGAC at the beginning of 1988 I transferred to the corporation all my writings, artwork, files and office equipment and supplies that I had previously owned in my sole proprietorship. At that time I owned all TGAC stock, TGAC owned all my archive materials, and I had an arrangement with TGAC whereby my products and acquisitions of an artistic or literary nature passed to the corporation as I produced or acquired them. Because the organization had continued to attack me following the December, 1986 settlement, because I am connected to many people with an interest in the resolution of the organization's war on justice and innocence in our society, and because I have been placed in a position to do something to bring about that resolution, a certain quantity of my literary

acquisitions have been organization-related materials. In the fall of 1989, after the series of threats from organization attorney Heller, I made a determined effort to acquire whatever organization-related materials I could, sensing that they would be needed in the attacks I also sensed were coming. In August, 1990, at the time of my renunciation, I split TGAC's stock into four shares and gave them away with the rest of my assets as described in paragraph 33 above. I had the hope and belief, which I still retain, that TGAC would be a commercial success, and that the four owners, all close friends of mine, would benefit monetarily and have a lot of fun with the corporation. I continued as TGAC's president, continued to produce, and TGAC continued to care for its growing archive. From the organization's actions and statements in the Yanny II litigation, wherein it had taken my deposition on several days in late 1991 and early 1992, and its actions and statements in the Armstrong II litigation, where it had served a subpoena duces tecum on the corporation, it became clear that the organization was going to try to get its itching mitts on TGAC's archive, invade its privacy and attack it as a way of attacking me. On June 22, 1992, at a special meeting of TGAC's directors, it was therefore decided, in order to remove any reason for the organization to attack the corporation, to transfer to me, Gerald Armstrong individual, everything in TGAC's archive which related to the organization or my litigation, and this transfer was effectuated the same day. I still sensed that the organization was not going

to be dissuaded from its kamikaze course, and I still wanted to protect TGAC's owners, whose only crimes were being my friends and accepting my gift of stock certificates. I knew as well by this time that the organization's leaders are paranoid, schizophrenic, proudly describe themselves as "ruthless," and would destroy any innocent person if it served their purpose in attacking me. On June 23, therefore, I met with each of the four who each decided at that time to give back to me his or her shares. In that way these people would not become targets in the organization's mad litigation war, and I would have the freedom, as TGAC's major stockholder and president, to fight the war on behalf of the corporation as I was called. Two of the four, Michael Douglas and Nancy Rodes, had signed settlement agreements similar to mine with the organization in December, 1986, so were particularly vulnerable and worried in the organization's attempt to make TGAC its litigation enemy. In August, 1990 each of the four had received one share. In early, 1991 by agreement between the shareholders, the four shares were split into one hundred, and each shareholder had given 5 shares to the corporation to sell to finance its operations. Thus on June, 23, 1992, I received back eighty percent ownership of TGAC (see also para. 21, supra, and Ex. L, p. 556, 557). This proved to be a divinely timed move because on June 24 I was served with the organization's amendment to the Armstrong II complaint, naming TGAC as a defendant. Because of my financial condition and the stress of the organization litigation, which has rendered me over

the past three years completely incapable of dealing with certain clerical tasks, which even ordinary people who are not fair game's targets can easily perform, TGAC owes the IRS and the Franchise Tax Board a couple of years' returns, but that is only a temporary situation, which I expect to resolve in the next few weeks. Yet even TGAC's failures to file seem to be divinely timed because it surely disproves Mr. Wilson's Armstrong IV attack line that "[T]GAC exists solely so that Armstrong may be "judgment proof" (Ex. A. p. 5, l. 7). Only a madman would, when assaulted by this organization's litigation machine and needing to be judgment proof, let his judgment-proofing corporation approach suspension. I am neither mad nor in need of any protection from any judgment the organization imagines in its wild dreams it might obtain. I own eighty percent of TGAC, and TGAC owns a body of literature and art with considerable present value and potential. It owns the rights to a number of my projects and products, including whatever can be owned of the Formula for the Unified Field, which I was given not long after August, 1990. TGAC has a history and a lot of good will. TGAC did not invite the organization's attacks, and even urges the organization to dismiss all the litigation it has fomented against TGAC. Nevertheless, TGAC will undoubtedly garner more good will, good PR and societal acceptance as a result of the organization's attacks, because society often judges one's worth by one's enemies. Although no one should have to have enemies, the organization's power structure, being so villainous, is, in

the minds of the vast decent human majority, the best kind of enemy to have. TGAC's present value is in the neighborhood of fifteen trillion dollars, so the organization's claim of four point eight million is monetarily insignificant. Nevertheless, and but for other reasons I will fight this battle.

57. The organization filed the Armstrong IV complaint July 23, 1993 and the case was assigned to Marin Superior Court Judge Gary W. Thomas. It served a lis pendens on me on August 8 and then recorded it encumbering the Fawn property, which, as evidence of God's Great Humor, the Waltons, were that very moment refinancing. On August 9 the organization mailed me a request for production of documents, a copy of which is appended hereto as Exhibit 00, asking for a hell of a lot of things, including everything I've written from the beginning of time, and not unemphatically for the treatment for a screen play entitled "One Hell of a Story," which I'd written and registered in the spring of 1993, and for the authorship of which the organization was claiming liquidated damages in the Armstrong III lawsuit in Los Angeles. On September 16 the organization mailed out another request for production of documents by me, and similar requests to Mr. Walton and TGAC, seeking, inter alia, every financial record we possessed back a year before the December, 1986 settlement. After some extensions to figure out what under Heaven we were going to do about the crazy-scary Armstrong IV lawsuit, on September 30 Mr. Walton filed a demurrer and motion to strike the complaint, and on October 4 I filed a motion to

commence coordination proceedings, followed on October 28 by an amended motion, asking, because IV depends on the outcome of the LA cases and shares with them common questions of fact and law, to have Armstrong IV transferred from Marin to LA Superior Court and coordinated with II and III . On October 21 Solina Walton filed a motion to expunge the lis pendens, and on October 29 Judge Thomas signed an order of expungement and awarded Mrs. Walton \$3500.00 in attorneys fees. On November 5 the organization filed its opposition to the motion to commence coordination proceedings, I filed a reply on November 9, and on November 10 in a pre-hearing minute order, a copy of which is appended hereto as Exhibit PP, Judge Thomas denied the motion, ruling, as again Humor would have it, that "[t]here are no common questions of fact or law between this action and the Los Angeles County actions." On November 12 the organization filed an opposition to Mr. Walton's demurrer and motion to strike and on November 17 he filed a reply supported by a declaration, a copy of which, along with the exhibits thereto is appended hereto as Exhibit QQ. In his declaration, Mr. Walton describes our relationship over the years and the relevant events in our Fawn period together. Exhibit D to his declaration is a letter I wrote to him on August 14, 1990 in which I stated my intention to give away my worldly possessions and forgive debts owed me and laid out my immediate plans. Exhibit E is a letter I wrote to him on August 23, 1990 while I waited in Marin Traffic Court for my failure-to-obey case at which the charging chippy didn't show.

In the letter I list various physical items then at Fawn and state my intention for their disposition. On November 18 in a pre-hearing minute order, a copy of which is appended hereto as Exhibit RR, Judge Thomas overruled the demurrer, and denied the motion to strike, stating that:

"this action does not seek or require a determination that Armstrong breached the settlement agreement.

Thus, this action is not simply an attempt to avoid the (stay) orders in the Los Angeles County actions."

On November 30 the organization filed motions to compel the production of the documents requested from Mr. Walton, TGAC and me. A hearing on those motions is now set for January 21, 1994. On November 30 I filed my verified answer, a copy of which is appended hereto as Exhibit SS, the verified answer of TGAC, a copy of which is appended hereto as Exhibit TT, and a verified cross-complaint for abuse of process, a copy of which is appended hereto as Exhibit UU.

58. The only remaining document relevant to the Armstrong IV lawsuit, other than letters to the other people in my life whose debts to me I forgave in 1990, which I will not include so as to not put them at risk, is my prayer and answer thereto dated August 13, 1990, a copy of which is appended hereto as Exhibit VV.

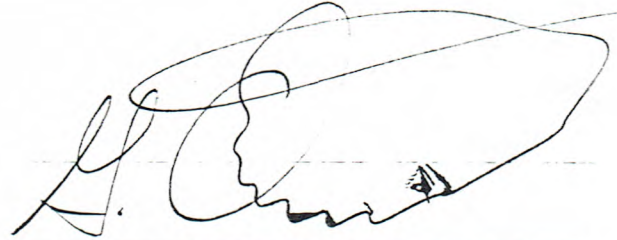
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I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Anselmo, California, on January 13, 1994.

A handwritten signature in black ink, appearing to read 'Gerald Armstrong', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke at the end.

GERALD ARMSTRONG

8-13-90

Please guide me.

Keep nothing.

Give what you have to
the poor.

Take only what you need.

000054

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

--oOo--

CHURCH OF SCIENTOLOGY INTERNATIONAL,
a California not-for-profit religious
corporation,

COPY

Plaintiff,

vs.

No. BC 052395

GERALD ARMSTRONG; DOES 1 through 25,
inclusive,

Defendants.

RECEIVED

AUG 21 1992

HUB LAW OFFICES

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, July 22, 1992

Volume II, Pages 179 - 293

REPORTED BY: KATHERINE NG, CSR NO. 6350

MARY HILLABRAND INC.

CERTIFIED SHORTHAND REPORTERS

520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA 941

PHONE 415 / 788-5350 FAX 415 / 788-06

1 A. No.

2 Q. Did you give any of it to Michael Walton?

3 A. Yes.

4 Q. Why did you give it away?

5 A. Because I considered that I was guided to do
6 so.

7 Q. By whom?

8 A. The source of all that is.

9 Q. Who is that?

10 A. God.

11 Q. Now, when God guided you to give away all your
12 assets, did he guide you to give them to particular
13 people or did you make that decision?

14 A. I believe that I was guided each step of the
15 way.

16 Q. Okay. When you say you gave it away, I take it
17 you didn't receive anything in return in terms of
18 monetary compensation?

19 A. Right.

20 Q. Can you tell me why you decided to give some of
21 it to Michael Walton?

22 A. Because it was logical.

23 Q. Why?

24 A. And because it was so guided.

25 Q. Can you tell me what about it was logical?

1 discourse here, it is my recommendation to amend the
2 complaint. We need a motion for that or else a
3 stipulation.

4 MR. GREENE: I think that probably we can do
5 that by stipulation. Based on the testimony here today,
6 I assume that you would amend your complaint in at least
7 three regards, if we can talk about that. It is not the
8 kind of thing we would disagree about, and it would be
9 easier by stipulation.

10 MR. WILSON: The only thing we would do is to
11 do it by a motion to compel. I can't imagine getting the
12 transcript filed and heard. Unless some emergency comes
13 up, the answer is no.

14 MR. GREENE: Fine.

15 MR. WILSON: Off the record.

16 (Off-the-record discussion.)

17 MR. WILSON: Mr. Greene has given me the
18 following dates as being available for his or Mr.
19 Armstrong's deposition: August 19, 20, 26, 27 and 28. I
20 have informed Mr. Greene, I may very well be in trial on
21 those dates, and I will have clear them with co-counsel,
22 Ms. Bartilson and will get back to you hopefully today or
23 tomorrow.

24 (The deposition was adjourned at 1:40 p.m.)
25

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4 Signature of Witness
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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

--oOo--

CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
not-for-profit religious)
corporation,)

Plaintiff,)

vs.)

GERALD ARMSTRONG; and)
DOES 1 through 25, inclusive,)

Defendants.)
-----)

ORIGINAL

Case No. BC 052395

RECEIVED

MAR 09 1993

HUB LAW OFFICES

DEPOSITION OF MICHAEL WALTON

Pages 1 - 61

Taken before CHRIS DE GEORGE

California CSR License No. 7069

February 24, 1993

--oOo--

1 Q. Do you know why he transferred it to
2 you?

3 A. I know what he told me.

4 Q. What did he tell you?

5 A. I'm trying to remember it. Let me think
6 about it and see if I can remember under what
7 circumstances.

8 I don't believe this has any relation to
9 any representation. Jerry told me that he'd had a
10 vision from God.

11 Q. That's it?

12 A. That's the reason. That's when he
13 divested of all property that I know of.

14 Q. Where is Jerry living now, do you know?

15 A. No, I don't. I think he's living on Sir
16 Francis Drake. 711, I think.

17 Q. That's one of the -- that's either
18 adjacent to or the office where Ford Greene has his
19 practice?

20 A. That's my understanding although I've
21 never been there.

22 Q. Other than Fawn Drive, did Mr. Armstrong
23 give you any other property at that time?

24 A. Yes.

25 Q. What else?

1 usual, that it's held in their office, and you can
2 discuss whatever the time. It's at least 30 days to
3 look at it and make corrections.

4 THE WITNESS: Good. Fine with me. Send
5 it if you can.

6 (Whereupon, the deposition was adjourned
7 at 11:52 a.m.)

8 --oOo--

9 I, MICHAEL WALTON, the witness named
10 herein, do hereby certify that my deposition in the
11 within-titled matter was submitted to me for
12 reading, correcting and signing, that my deposition
13 has been read to or by me, and that I have made such
14 changes and corrections herein as I have deemed to
15 be necessary.

16 Subscribed this _____ day of
17 _____, 1993.

18
19 _____
20 MICHAEL WALTON
21
22
23
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25